

**REPORT OF THE
BOARD OF DIRECTORS OF THE
COOK COUNTY HEALTH AND HOSPITALS SYSTEM**

AUGUST 26, 2009

ATTENDANCE

Present: Chairman Warren L. Batts and Directors David A. Ansell, MD, MPH; Hon. Jerry Butler; David Carvalho; Quin R. Golden; Benn Greenspan, PhD, MPH, FACHE; Sister Sheila Lyne, RSM; Luis Muñoz, MD, MPH; Heather E. O'Donnell, JD, LLM; and Andrea Zopp (10)

Vice Chairman Jorge Ramirez (attended telephonically) (1)

Absent: None (0)

Also Present: Pitt Calkin – Interim Chief Financial Officer, Cook County Health and Hospitals System; Patrick T. Driscoll, Jr. – Deputy State's Attorney, Chief, Civil Actions Bureau, Office of the State's Attorney; Leslie Duffy – Director of Procurement, Cook County Health and Hospitals System; William T. Foley – Chief Executive Officer, Cook County Health and Hospitals System; Hon. Bridget Gainer – Cook County Commissioner; Martin Grant, RPh – Director of Pharmacy, Cook County Health and Hospitals System; Maurice Lemon, MD – Chief Medical Officer, John H. Stroger, Jr. Hospital of Cook County; Roz Lennon – Chief Clinical Officer, Cook County Health and Hospitals System; Jeff McCutchan – Supervisor, Transactions and Health Law Division, Office of the State's Attorney; Michael Puisis, MD – Chief Operating Officer, Cermak Health Services of Cook County; John M. Raba, MD – Interim Chief Medical Officer, Cook County Health and Hospitals System; Elizabeth Reidy – General Counsel, Cook County Health and Hospitals System; David Small – Chief Administrative Officer, Cook County Health and Hospitals System; Deborah Tate – Director of Human Resources, Cook County Health and Hospitals System; Anthony J. Tedeschi, MD, MPH, MBA – Interim Chief Operating Officer, Cook County Health and Hospitals System; Herschel Tolsen – Cook County's Office of Contract Compliance; Deborah Santana – Secretary to the Board, Cook County Health and Hospitals System; Robert Weinstein, MD – Chief Operating Officer, Ruth M. Rothstein CORE Center of Cook County

Ladies and Gentlemen:

Your Board of Directors of the Cook County Health and Hospitals System met pursuant to notice on Wednesday, August 26, 2009 at the hour of 7:30 A.M. at Stroger Hospital, 1901 W. Harrison Street, in the fifth floor conference room, in Chicago, Illinois.

Your Board of Directors has considered the following items and upon adoption of this report, the recommendations follow.

Deborah Santana, Secretary to the Board, called the roll of members and it was determined that a quorum was present.

Chairman Batts indicated that Vice Chairman Ramirez was not physically present at the meeting, but would be attending the meeting via teleconference call. Vice Chairman Ramirez confirmed his presence.

Director Muñoz, seconded by Director Lyne, moved to allow Vice Chairman Ramirez to participate as a voting member in the meeting telephonically. THE MOTION CARRIED UNANIMOUSLY.

PUBLIC COMMENTS

Chairman Batts asked the Secretary to call upon the registered speakers.

The Secretary called upon the following registered public speaker:

1. George Blakemore Concerned Citizen
-

APPROVAL OF THE MINUTES OF THE MEETING OF THE COOK COUNTY HEALTH
AND HOSPITALS SYSTEM BOARD OF DIRECTORS OF WEDNESDAY, AUGUST 12, 2009

Director Butler, seconded by Director Greenspan, moved to approve the minutes of the meeting of the Cook County Health and Hospitals System Board of Directors of Wednesday, August 12, 2009. THE MOTION CARRIED UNANIMOUSLY.

REPORT FROM SYSTEM BOARD CHAIRMAN WARREN L. BATTS

Chairman Batts presented a report on the following:

Tour of Cermak Health Services by the Board of Directors

Chairman Batts stated that he has requested that Mr. Foley arrange a tour of Cermak Health Services for the Board. He noted that the Board toured Cermak one year ago, and added that it will be beneficial to see the progress that has been made there over the last year.

Strategic Planning Town Hall meetings

Chairman Batts stated that the first six town hall meetings have taken place; an additional town hall meeting, for the Hispanic/Latino community, has been set for Wednesday, September 9, 2009 at 6:00 P.M. It will be held at the Arturo Velasquez Institute (West Side Technical Institute), 2800 S. Western Avenue, in Chicago.

REPORT FROM THE SYSTEM
CHIEF EXECUTIVE OFFICER WILLIAM T. FOLEY

Mr. Foley presented information on the following (Attachment #1):

*Revised Chief Executive Officer's 90 Day – 6 Month – 1 Year Plan for the Cook County Health
and Hospitals System*

Strategic Planning Hispanic Town Hall meeting

Mr. Foley provided additional information on the upcoming strategic planning Hispanic town hall meeting referenced in Chairman Batts' report; he stated that they are working closely with Dr. Aida Giachello, of the University of Illinois at Chicago, in planning this event.

REPORT FROM THE SYSTEM
INTERIM CHIEF MEDICAL OFFICER JOHN RABA, MD

- Presentation on the System's preparations for H1N1

Dr. Raba introduced Dr. Robert Weinstein, Chief Operating Officer of the Ruth M. Rothstein CORE Center of Cook County, who presented a report on the System's preparations for H1N1 (Swine Flu) (Attachment #2).

The Board reviewed and discussed the report. Dr. Linda Murray, Chief Medical Officer of the Cook County Department of Public Health, provided information relating to the control, prioritization and distribution of the vaccines.

Director Muñoz requested that the subject of preventative measures, including those that may boost immunity, also be reviewed.

Director Ansell inquired whether there are plans to mandate flu shots for the System's health care workers. Dr. Weinstein stated that the Office of the State's Attorney is currently researching this question. Elizabeth Reidy, General Counsel for the Cook County Health and Hospitals System, provided additional information on the subject. She stated that issuing a mandate appears possible, however this may need to be bargained for with the unions.

Chairman Batts issued a statement on the subject, urging management and the medical staff to work with the unions to get a mandatory flu vaccination program for the System's health care workers in place.

Dr. Weinstein provided additional information. He stated that the vaccines will likely be available in October. He added that in the past, they have not had vaccine shortages, but the question remaining has to do with timing and flow. For protection against the H1N1 virus, there are three vaccines that need to be administered during a six week time period – the H1N1 vaccine, a seasonal flu vaccine, and a booster for the H1N1 vaccine.

COMMITTEE REPORT

Quality and Patient Safety Committee.....Meeting of 8-19-09*

* note: Medical Staff Appointments/Re-appointments/Changes were approved by the Quality and Patient Safety Committee at this meeting.

Director Ansell, seconded by Director Muñoz, moved to approve the Report of the Quality and Patient Safety Committee for the meeting of August 19, 2009. THE MOTION CARRIED UNANIMOUSLY.

COMMITTEE REPORT

Human Resources Committee.....Meeting of 8-21-09

Director Butler, seconded by Director O'Donnell, moved to approve the Report of the Human Resources Committee for the meeting of August 21, 2009. THE MOTION CARRIED UNANIMOUSLY.

APPROVE AND EXECUTE CHANGES TO CONTRACT CHANGE ADDENDUM
TO THE INFORMATION TECHNOLOGIES SERVICES CONTRACT WITH ACS-HCS

Contract Change Addendum #2009-004, under Contract No. 07-41-46 with ACS-HCS, was previously approved by the System Board on February 26, 2009.

The proposed changes to the Contract Change Addendum incorporate the following:

- Provides the full list of the ten (10) positions that ACS will be recruiting for and managing;
- Provides Job Summaries for each of the ten (10) positions needed;
- Provides a schedule for this service that will be consistent with the Master Contract term; and
- Provides an updated fee schedule of \$107,800/month.

The anticipated annualized cost for these ten positions is \$1,293,600.00.

Additionally, the following is included in the proposed changes:

For ACS to develop a “mock website” for the Cook County Health and Hospitals System and proceed with development and implementation of CCHHS’ Web portal, as well as provide for a Trial Hosting Environment that includes: dedicated, fully functional production environment on an ACS leveraged hardware platform for the purpose of evaluating existing web functionality and necessary hardware, software and infrastructure needs for long-term housing. The amount of the increase to the contract to cover this work is not to exceed \$80,000.00.

The total cost of this contract amendment is \$1,373,600.00; this amount will be covered within the System’s current year’s operating budget and commits future fiscal year funds.

David Small, Chief Administrative Officer of the Cook County Health and Hospitals System, provided information on the item presented. He stated that the electronic backup information provided in advance to the Directors only included Change Addendum #2009-013; the other part of the item relating to the website is included in Change Addendum #2009-010. Both Change Addendums are included in their meeting packets.

Director O’Donnell, seconded by Director Ansell, moved to approve and execute Contract Change Addendum #2009-013 and #2009-010 to the Information Technologies Services Contract with ACS-HCS. THE MOTION CARRIED UNANIMOUSLY.

CONTRACT AND PROCUREMENT APPROVALS*

*Additional information pertaining to these items is included, as amended, in Attachment #3.

CONTRACTS AND PROCUREMENT APPROVALS (continued)

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REQUEST TO RENEW GRANT
APPROVED

1.)

Grant renewal period:
07/01/09 through 06/30/10

Grant renewal amount
\$70,290.00

Requesting authorization to renew a grant from the Illinois Department of Public Health (IDPH) to continue services in 2009 for a program which will establish and maintain an active surveillance system for HIV/AIDS case reporting in suburban Cook County hospitals and other reporting sources.

This grant does not require an application process; the funding is automatically renewed. The authorization to accept the previous grant in the amount of \$70,290.00 was given on April 9, 2009 by the Board of Directors of the Cook County Health and Hospitals System, and on March 17, 2009 by the Board of Commissioners of Cook County.

Director Carvalho voted PRESENT on request number 1.

REQUEST TO RENEW GRANT
APPROVED

2.)

Grant renewal period:
06/01/09 through 05/31/10

Grant renewal amount:
\$17,698.00

Requesting authorization to renew the Maternal Child Health Bureau grant from Great Lakes Hemophilia Foundation. This grant provides comprehensive diagnostic care and treatment to persons with hemophilia and other related blood clotting disorders.

This grant does not require an application process; the funding is automatically renewed. The authorization to accept the previous grant was given on December 18, 2008 by the Board of Directors of the Cook County Health and Hospitals System in the amount of \$18,841.00.

CONTRACTS AND PROCUREMENT APPROVALS (continued)

BILLS AND CLAIMS
APPROVED

- 3.)
Cardinal Health Solutions, Inc. Invoice #1620459-7, #1620460-4 \$739,101.00
and #1606514-7
For the provision of Pyxis drug control and drug dispensing equipment (Contract No. 08-41-270).
- 4.)
Chamberlin Edmonds & Invoice #500815-053109 / For the month of May 2009 \$620,076.76
Associates, Inc. Invoice #500815-063009 / For the month of June 2009
For the provision of claims processing services (Contract No. 06-41-588). Original Contract Period: 07/01/06 through 06/30/09.
- 5.)
Sav Rx Chicago, Inc. Invoice #200907 / For the period of \$616,810.87
07/01/09 through 07/31/09
For the provision of new and refill mail order prescriptions, and Stroger, Fantus and Provident refill prescriptions (Contract No. 08-41-145). Original Contract Period: 03/01/08 through 02/28/11.
- 6.)
Aramark Healthcare Invoice #20750809JSH / For the \$439,435.58
period of 08/01/09 through 08/31/09
For the provision of professional services rendered for clinical engineering and biomedical services for the Department of Professional Affairs at John H. Stroger, Jr. Hospital of Cook County (Contract No. 07-41-97). Original Contract Period: 12/01/06 through 11/30/09.
- 7.)
ACS Corporation Invoice #430411 / For the month of \$329,166.67
July 2009
For the provision of professional fixed fees, information technology management services, and Cerner functions - clinical applications (Contract No. 07-41-46). Original Contract Period: 01/01/07 through 12/31/09.
- 8.)
Lifesource Blood Services Invoice #0630-524 / For the period of \$147,364.00
07/01/09 through 07/15/09
For the provision of blood and blood products (Contract No. 08-73-73). Original Contract Period: 06/01/08 through 05/31/10.
- 9.)
Siemens Medical Solutions Invoice #38152 \$142,553.63
For the provision of maintenance and support for the patient accounting system (Contract No. 06-41-274). Contract period: 01/10/09 through 01/09/12.

CONTRACTS AND PROCUREMENT APPROVALS (continued)

BILLS AND CLAIMS (continued)
APPROVED

- 10.) Anchor Mechanical Inc. Invoice #4400C-43 / For the month of \$117,484.37
June 2009

For the provision of maintenance and repair of refrigeration and ventilation systems for John H. Stroger, Jr. Hospital of Cook County (Contract No. 08-53-233). Original Contract Period: 02/16/09 through 02/15/12.

- 11.) Isaac Ray Center Invoice #2010-71 / From 07/16/09 \$116,111.75
through 07/31/09

For the provision of mental health services for Cermak Health Services (Contract No. 06-45-574). Original Contract Period: 09/01/06 through 08/31/10.

- 12.) Healthways QuitNet, LLC For the period of 07/01/08 through \$37,500.00
06/30/09

For the provision of personalized and comprehensive online resources and support for people trying to quit smoking. (To fulfill requirements of the IDPH Tobacco Free Communities Grant.)

REQUEST TO AMEND PREVIOUSLY APPROVED BILL AND CLAIM
APPROVED

- 13.) Navigant Consulting, Inc. Invoice #277961 \$462,000.00
\$353,750.00

For the provision of professional fees for consulting services (Contract No. 09-41-223). Original Contract Period: 05/22/09 through 08/31/09.

This bill and claim was approved by the Board of Directors of the Health and Hospitals System on August 12, 2009. Respectfully request to amend the previously approved item, to reflect the correct fiscal impact amount.

REQUEST TO AMEND CONTRACT
APPROVED

- 14.) Request to amend the contract with PerSe Technologies (Contract No. 08-41-371), for support and maintenance of the System-wide outpatient pharmacy computer system, to reflect the change of vendor name to McKesson Pharmacy Systems LLC. PerSe was acquired by McKesson and is now a subsidiary of McKesson. Original Contract Amount: \$237,000.00. Original Contract Period: 01/01/08 through 12/31/09.

CONTRACTS AND PROCUREMENT APPROVALS (continued)

REQUEST TO INCREASE CONTRACT
APPROVED

- 15.) Chicago Radiation Oncology, S.C. Increase by \$660,000.00

For the provision of radiation therapy services for John H. Stroger, Jr. Hospital of Cook County (Contract No. 05-41-192). Original Contract Period: 12/16/06 through 12/15/08.

A request to increase the contract by \$1,320,000.00 and extend from 12/16/08 through 06/16/09 was approved by the System Board on April 9, 2009.

Original contract amount:	\$7,920,000.00
Previous increase approved:	1,320,000.00
This increase requested:	<u>660,000.00</u>
Adjusted contract amount:	\$9,900,000.00

This item was **deferred** by the Finance Committee at the meeting of August 7, 2009.

REQUEST TO INCREASE AND EXTEND CONTRACTS
APPROVED

- 16.) Extend from 09/01/09 through Total increase:
12/31/09 \$249,850.14

For the provision of orthopedic supplies for Cermak Health Services, Provident Hospital of Cook County, John H. Stroger, Jr. Hospital of Cook County, and Oak Forest Hospital of Cook County (Contract No. 07-15-285H). Original Contract Period: 09/01/07 through 08/31/09.

	Original Contract Amount	Requested Increase	Adjusted Amount
Bioelectronic Engineering & Medical Supplies (B.E.A.M.S.)	\$116,344.45	\$20,027.21	\$136,371.66
DDW & Associates	\$224,614.53	\$38,664.51	\$263,279.04
Ekla Corporation	\$329,165.32	\$56,661.59	\$385,826.91
Globe Medical-Surgical Supply Company	\$250,670.45	\$43,149.70	\$293,820.15
Progressive Industries, Inc.	\$20,102.28	\$3,460.35	\$23,562.63
Protectair Inc.	\$506,832.94	\$87,244.79	\$594,077.73
Sami Distributors Inc.	\$3,729.53	\$641.99	\$4,371.52

CONTRACTS AND PROCUREMENT APPROVALS (continued)

REQUEST TO INCREASE AND EXTEND CONTRACTS

APPROVED

17.)

Extend from 09/01/09 through
12/31/09

Total increase:
\$43,716.49

For the provision of orthopedic supplies for Cermak Health Services, Provident Hospital of Cook County, John H. Stroger, Jr. Hospital of Cook County, and Oak Forest Hospital of Cook County (Contract No. 07-15-285H Rebid). Original Contract Period: 09/01/07 through 08/31/09.

	Original Contract Amount	Requested Increase	Adjusted Amount
Bioelectronic Engineering & Medical Supplies (B.E.A.M.S.)	\$8,970.00	\$1,258.63	\$10,228.63
DDW & Associates	\$339.60	\$47.65	\$387.25
Ekla Corporation	\$543.00	\$76.19	\$619.19
Progressive Industries, Inc.	\$16,156.74	\$2,267.04	\$18,423.78
Bio-Tek Medical Supplies, Inc.	\$188,356.40	\$26,429.27	\$214,785.67
Sami Distributors Inc.	\$97,193.40	\$13,637.71	\$110,831.11

REQUEST TO INCREASE AND EXTEND CONTRACTS

APPROVED

18.)

Extend from 09/01/09 through
12/31/09

Total increase:
\$8,497.20

For the provision of orthopedic supplies for Cermak Health Services, Provident Hospital of Cook County, John H. Stroger, Jr. Hospital of Cook County, and Oak Forest Hospital of Cook County (Contract No. 07-15-285H3). Original Contract Period: 09/01/07 through 08/31/09.

	Original Contract Amount	Requested Increase	Adjusted Amount
O & M Enterprise	\$2,947.50	\$507.37	\$3,454.87
Progressive Industries, Inc.	\$3,922.35	\$675.18	\$4,597.53
Ekla Corporation	\$42,493.50	\$7,314.65	\$49,808.15

CONTRACTS AND PROCUREMENT APPROVALS (continued)

REQUEST TO INCREASE AND EXTEND CONTRACT
APPROVED

- 19.) Divane Brothers Electric Extend for three (3) months Increase by \$100,000.00
Company

For the maintenance, testing and repair of the Honeywell HVAC and security system at Oak Forest Hospital of Cook County (Contract No. 08-53-179 Rebid).

An increase to this contract is necessary so that major repairs to the Tamper Modules, EBI Computer, Smoke Detectors and the replacement of panels at Oak Forest Hospital can be completed within the contract period. Original Contract Amount: \$211,985.00. Original Contract Period: One (1) year.

REQUEST TO INCREASE AND EXTEND CONTRACT
APPROVED

- 20.) McMahon Food Corporation Extend from 09/08/09 through Increase by \$16,000.00
10/07/09

For the purchase of juice products for John H. Stroger, Jr. Hospital of Cook County (Contract No. 08-45-40). Original Contract Amount: \$132,576.00. Original Contract Period: One (1) year.

REQUEST TO ENTER INTO AND EXECUTE CONTRACT
APPROVED

- 21.) Eligibility Services, Inc. (ESI) Contract period: 10/01/09 through *Contingency
09/30/12 fee-based – see below

For the provision of electronic ambulatory pharmacy claims adjudication, eligibility services, cleansing and claims re-mining services (RFP #08-50-2019P).

*Contingency fee-based: based on a 12% contingency of net IGT revenues collected and 12% of revenue/cash received for claims by any other third party payor, including Medicare.

REQUEST TO AWARD BID,
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACT
APPROVED

- 22.) Dayspring, Inc. Contract period: Two (2) years \$847,536.00

For the provision of janitorial services for the Ambulatory and Community Health Network of Cook County (Contract No. 09-53-132).

CONTRACTS AND PROCUREMENT APPROVALS (continued)

REQUEST TO AWARD BID,
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACT
WITHDRAWN

- 23.) Ready Data, Inc. Contract period: Two (2) years \$835,093.40
For the provision of Lexmark toner cartridges (Contract No. 09-84-39).

REQUEST TO AWARD BIDS,
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACTS
APPROVED

- 24.) Contract period: Two (2) years
For the provision of disposable tracheostomy and laryngectomy tubes for Cermak Health Services, Provident Hospital of Cook County, John H. Stroger, Jr. Hospital of Cook County, and Oak Forest Hospital of Cook County (Contract No. 09-15-123H).
- | | |
|---|------------------|
| Atlas and Associates | \$344.70 |
| Bioelectronic Engineering & Medical Supplies (B.E.A.M.S.) | 370,483.02 |
| Ekla Corporation | 345,126.50 |
| Northwestern Pharmaceutical & Supply Corporation | <u>77,623.50</u> |
| Total | \$793,577.72 |

REQUEST TO AWARD BIDS,
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACTS
APPROVED

- 25.) Contract period: Nine (9) months,
ending 04/30/10
For the provision of surgical supplies for Cermak Health Services, Provident Hospital of Cook County, John H. Stroger, Jr. Hospital of Cook County, and Oak Forest Hospital of Cook County (Contract No. 09-15-468H).
- | | |
|---|-------------------|
| Bioelectronic Engineering & Medical Supplies (B.E.A.M.S.) | \$39,551.60 |
| Ekla Corporation | 7,828.20 |
| Globe Medical-Surgical Supply Company | 47,623.80 |
| Howard Medical Company | 66,654.65 |
| MMS - A Medical Supply Company | 44,085.60 |
| Northwestern Pharmaceutical & Supply Corporation | 343,637.85 |
| Progressive Industries, Inc. | <u>225,714.87</u> |
| Total | \$775,096.57 |

CONTRACTS AND PROCUREMENT APPROVALS (continued)

REQUEST TO AWARD BIDS,
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACTS
APPROVED

26.)

Contract period: One (1) year

For the provision of frozen convenience foods for John H. Stroger, Jr. Hospital of Cook County and Oak Forest Hospital of Cook County (Contract No. 09-83-88).

Finer Foods, Inc. (Section I)	\$380,692.84
Finer Foods, Inc. (Section II)	<u>224,295.04</u>
Total	\$604,987.88

REQUEST TO AWARD BIDS,
AND REQUEST TO ENTER INTO AND EXECUTE CONTRACTS
APPROVED

27.)

Contract period: Ten (10) months,
ending 04/30/10

For the provision of receptacle containers and liners for Cermak Health Services, Provident Hospital of Cook County, John H. Stroger, Jr. Hospital of Cook County, and Oak Forest Hospital of Cook County (Contract No. 09-15-048H).

Aztec Supply Corporation	\$67,808.02
Bioelectronic Engineering & Medical Supplies (B.E.A.M.S.)	1,175.00
Globe Medical-Surgical Supply Company	40,186.90
Inlander Brothers, Inc.	268,226.05
Inter-City Supply Company, Inc.	2,770.13
Progressive Industries, Inc.	<u>3,687.60</u>
Total	\$383,853.70

REQUEST TO ~~ADVERTISE FOR BIDS~~ CANCEL AND REBID
APPROVED AS AMENDED

28.)

For the provision of seafood products for John H. Stroger, Jr. Hospital of Cook County (Section I) and Oak Forest Hospital of Cook County (Section II). Contract Period: One (1) year.

This item was **deferred**, as amended, by the Finance Committee at the meeting of August 7, 2009.

REQUEST TO CANCEL AND REBID
APPROVED

29.)

For the purchase of laboratory reagents and consumables for Provident Hospital of Cook County (Contract No. 08-72-227). Contract Period: Two (2) years.

This item was **deferred** by the Finance Committee at the meeting of August 7, 2009.

CONTRACTS AND PROCUREMENT APPROVALS (continued)

REQUEST TO CANCEL AND REBID
APPROVED

30.)

For the removal of existing carpet flooring and the installation of floor tiles in various clinics throughout the campus of John H. Stroger, Jr. Hospital of Cook County (Contract No. 09-53-72).

This item was **deferred** by the Finance Committee at the meeting of August 7, 2009.

REQUEST TO CANCEL AND REBID
APPROVED

31.)

For the provision of disposable wearing apparel (partial rebid - Contract No. 09-15-508H).

This item was **deferred** by the Finance Committee at the meeting of August 7, 2009.

REQUEST TO CANCEL AND REBID
APPROVED

32.)

For the provision of laboratory supplies and vacutainers (partial rebid - Contract No. 08-15-602H1).

This item was **deferred** by the Finance Committee at the meeting of August 7, 2009.

The Board reviewed and discussed the items presented. Leslie Duffy, Director of Procurement for the Cook County Health and Hospitals System, provided additional information.

During the Board's review of the request to increase the contract with Chicago Radiation Oncology, S.C., several questions were raised. Mr. Foley stated that there will be a full report to the Finance Committee on the subject.

Also discussed was the status of the group purchasing organization (GPO) contracts. Ms. Duffy provided information on the subject. Director Zopp requested that an update on the subject be provided at the next meeting.

Director Zopp, seconded by Director Lyne, moved the approval of the Contracts and Procurement Approval Items, as amended, with the exception of request number 23, which was withdrawn. THE MOTION CARRIED.

Director Carvalho voted PRESENT on request number 1.

UPDATE FROM CCHHS AD HOC STRATEGIC PLANNING WORKING GROUP:
UPDATE ON STRATEGIC PLANNING PROCESS FROM JOHN
ABENDSHEIN, OF INTEGRATED CLINICAL SOLUTIONS, INC.

This item was deferred.

UPDATE ON FY2009 AND FY2010 PRELIMINARY BUDGET
ADOPTION AND IMPLEMENTATION

- Approval of intra-fund transfers of funds
(Attachment #4)

Pitt Calkin, Interim Chief Financial Officer of the Cook County Health and Hospitals System, presented the proposed intra-fund transfers of funds.

The Board reviewed and discussed the proposed transfers. Questions were raised with regard to overtime; Mr. Foley noted that the infrastructure is being built to address this issue.

Director Ansell, seconded by Director Lyne, moved the approval of the intra-fund transfers of funds. THE MOTION CARRIED UNANIMOUSLY.

UPDATE ON FY2009 AND FY2010 PRELIMINARY BUDGET
ADOPTION AND IMPLEMENTATION

- Review, discuss and approve proposed FY2010 Preliminary Budget for the Cook County Health and Hospitals System (Attachment #5)

Mr. Foley provided an overview of the proposed FY2010 Preliminary Budget. He stated that included in the information is a cover letter and a white paper on the methodology used to formulate the budget. Also included is a draft Resolution relating to certain aspects of System budgetary control, which is expected to be introduced to the County Board for their approval. The Board reviewed and discussed the information provided.

Dr. Anthony J. Tedeschi, Interim Chief Operating Officer of the Cook County Health and Hospitals System, provided additional information. He noted that two particular issues impact the planning of the budget: the budget directives, and the fact that the System is only partly through a strategic planning process that could fundamentally change the System.

Given the inefficiencies and opportunities that have been identified in the workforce, Dr. Tedeschi stated that they are planning to implement full-time equivalent employee (FTE) reductions for FY2010, totaling approximately \$60 million. The \$60 million is made up of 883 vacant positions that were budgeted in FY2009. They have eliminated 358 open positions. That leaves a total of 784 open positions; they will eliminate another two-thirds of those. That will leave approximately 259 open positions to be filled, which will help in critical areas. He added that they have put together a process to manage the position control.

With regard to filled positions, Dr. Tedeschi stated that there will be an elimination of 467 filled positions in FY2010. This will happen in a two-phased approach. In the first phase, which will occur in the Fall, they will focus on the positions that are straight-forward opportunities – areas in which workloads can be re-assigned and changes can be made. The second phase consists of more complex opportunities – areas to reduce the workforce that involve the re-design of processes and systems. That work will be done through the Fall and into the Winter; those positions will be eliminated in the Spring.

Dr. Tedeschi provided additional information on FY2010 expense assumptions. He noted that there is an additional \$20 million expense reduction for continued improvement in managing the supply chain. This comes through pricing, as well as working with the physicians on preference items. Additionally, there is \$30 million budgeted for operating expenses and \$30 million budgeted for capital expenditures; these are placeholders for when the strategic plan is finalized. The total capital request is approximately \$66 million, \$30 million of which is reserved for the strategic plan.

Mr. Foley stated that the System will be holding its own budget hearings. Further information will be provided after the dates are set. However, three of the four hearings will be held in the evening at the three hospitals, and the fourth hearing will be held downtown in the County Board Room during the day.

Mr. Calkin presented detailed information on the methodology used to prepare the FY2010 Preliminary Budget. The key point relates to the 19% reduction mandate given by the County's Department of Budget and Management. The interpretation of this mandate by the County's Budget Department is that it is a 19% reduction on FY2009 appropriated expenses; with this interpretation, a comparison of the System's FY2009 appropriated expenses in the amount of \$850 million would calculate to a reduction of expenses in the amount of \$160 million in FY2010. In contrast to the County Budget Department's interpretation, Mr. Calkin stated that this preliminary budget was prepared with the assumption that the 19% reduction mandate applies to the County tax subsidy portion that the System received in FY2009. A 19% reduction of the County tax subsidy equals \$74 million; this reduction is included in the FY 2010 Preliminary Budget.

During the discussion on personnel expenses, Chairman Batts inquired whether Cermak Health Services has applied for reaccreditation. Dr. John M. Raba, Interim Chief Medical Officer of the Cook County Health and Hospitals System, responded that they have initiated the process. With regard to setting a timetable, Dr. Michael Puisis, Chief Operating Officer of Cermak Health Services, added that it would be unrealistic to set timeframes without first implementing the electronic records system; their goal is to have this system implemented in six months.

In response to Director Zopp's question regarding an additional \$37 million in expenses, Mr. Calkin stated that the total includes the following expenses: purchase of the Lawson System; amending and increasing the MedAssets contract, as a result of re-negotiating their fee from a contingency-based fee to a flat monthly fee, and as it relates to Chamberlin Edmonds and their responsibility for all eligibility vendor efforts.

Chairman Batts requested that the budget pages be sorted by business unit and numbered. Mr. Foley requested that a schedule be added relating to the additional \$37 million in expenses.

Director Butler, seconded by Director Zopp, moved the approval of the FY2010 Preliminary Budget, which includes the proposed Resolution and white paper, as amended. THE MOTION CARRIED UNANIMOUSLY.

UPDATE FROM NAVIGANT CONSULTING
ON PERFORMANCE MANAGEMENT ACTIVITIES

UPDATE ON LABOR NEGOTIATIONS

In addition to the two items planned for discussion in closed session, Director Carvalho requested that a litigation matter be discussed in closed session.

Director Zopp, seconded by Director Carvalho, moved to recess the regular session and convene into closed session, pursuant to the following exceptions to the Illinois Open Meetings Act: 5 ILCS 120/2(c)(2), et seq., which permits closed meetings for consideration of “collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees;” 5 ILCS 120/2(c)(1), which permits closed meetings for consideration of “the appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body or legal counsel for the public body, including hearing testimony on a complaint lodged against an employee of the public body or against legal counsel for the public body to determine its validity;” and 5 ILCS 120/2(c)(11), which permits closed meetings for consideration of “litigation, when an action against, affecting or on behalf of the particular public body has been filed and is pending before a court or administrative tribunal, or when the public body finds that an action is probable or imminent, in which case the basis for the finding shall be recorded and entered into the minutes of the closed meeting.” THE MOTION CARRIED UNANIMOUSLY.

Chairman Batts declared that the closed session was recessed. The Board reconvened into regular session.

Director Zopp, seconded by Director Ansell, moved to approve the agreement between the Cook County Health and Hospitals System, the County of Cook, and the Doctors Council SEIU, pending the System Chief Executive Officer’s execution of Exhibits 1 and 2. THE MOTION CARRIED.

Chairman Batts voted PRESENT, and Director Carvalho voted NO.

Director Greenspan, seconded by Director Ansell, moved to recess the regular session and reconvene into closed session. THE MOTION CARRIED UNANIMOUSLY.

Director Butler, seconded by Director O’Donnell, moved to adjourn the closed session and reconvene into regular session. THE MOTION CARRIED UNANIMOUSLY.

2009 BOARD MEETING SCHEDULE CHANGE

Chairman Batts stated that the regularly scheduled Board Meeting set for September 25, 2009 needs to be rescheduled to September 18, 2009, at the hour of 7:30 A.M.

Director Zopp, seconded by Director Muñoz, moved to change the meeting date of the Board of Directors from the regularly scheduled date of Friday, September 25, 2009 at 7:30 A.M. to Friday, September 18, 2009 at 7:30 A.M. THE MOTION CARRIED UNANIMOUSLY.

ADJOURNMENT

Director Butler, seconded by Director Ansell, moved to adjourn. THE MOTION CARRIED UNANIMOUSLY AND THE MEETING ADJOURNED.

Respectfully submitted,
Board of Directors of the
Cook County Health and Hospitals System

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Warren L. Batts, Chairman

Attest:

XXXXXXXXXXXXXXXXXXXXXXXXXXXX
Deborah Santana, Secretary

Cook County Health and Hospitals System
Report of the Meeting of the Board of Directors
August 26, 2009

ATTACHMENT #1

WILLIAM T. FOLEY
CCHHS CEO
90 DAY—6 MONTH—1 YEAR PLAN
REVISED—AUGUST 24, 2009

9/1/09:

Task	Status
Complete Navigant Consulting Performance Improvement Assessment	Due to difficulties in collecting data, anticipated completion date delayed until 9/30/09.
Initiate ERP installation	Contract with ACS for ERP installation approved by CCHHS Board on 6/26/09. Installation in process.
Revise MedAssets agreement	Contract Amendment approved in Finance Committee Report of 6/30/09 and by the CCHHS Board on 7/16/09.
Establish Office of Performance Improvement and hire a Director as an interim, full-time position for a period of no longer than 1 year.	Jeanene Johnson assumed position on 6/29/09.
Hire Director of Human Resources	Deborah Tate assumed position on 7/13/09.
Hire Director of Public Relations/Communications	Lucio Guerrero assumed position on 7/6/09.
Hire Chief Compliance Officer	Cathy Bodnar to assume position on 9/8/09.
Hire Chief Clinical Officer	Roz Lennon assumed position on 7/27/09.
Hire General Counsel	Elizabeth Reidy to assume position on 8/10/09.
Complete Solucient FTE benchmarking study and implement Phase 1 reduction-in-force.	Benchmarking Study complete. Navigant Consulting to assist in implementation.
Select Group Purchasing Organization (GPO) and finalize agreement.	UHC/Novation contract as GPO approved in the Finance Committee Report of 5/29/09 and by the CCHHS Board on 6/4/09. Agreement in process of being finalized with assistance of Navigant Consulting.

12/1/09:

Task	Status
Complete Phase 1 of performance improvement project with focus on revenue cycle management, labor productivity, non-labor productivity, and physician services.	
Complete Phase 1 of ERP installation: financial reporting/general ledger.	
Implement Phase 2 reduction-in-force.	
Hire CCHHS CFO.	Michael Ayres to assume position on 9/1/09.
Hire CCHHS CMO.	Recruitment in process.
Hire CCHHS CIO.	Recruitment in process.

Finalize and approve CCHHS Strategic Plan.	
Finalize and approve CCHHS 3-Year Financial Plan.	

6/1/10:

Task	Status
Complete Phase 2 (final phase) of performance improvement project including staff education and training.	
Complete Phase 2 of ERP installation: human resources, payroll, productivity, and supply chain.	
Implement Phase 1 strategic plan strategies.	

Cook County Health and Hospitals System
Report of the Meeting of the Board of Directors
August 26, 2009

ATTACHMENT #2

CCHHS Board Presentation Preparation for H1N1

During the spring outbreak of H1N1 there were regular planning meetings with representation from JHSH, Provident, Cermak, Core, ACHN, and OFH. Our future meetings will include CCDPH. The next meeting is on August 27th with representation from all of the above institutions

1. Surveillance

- a. We have developed an electronic surveillance tool that was implemented for the JHSH clinics and the emergency department; this should be able to be used in most of the system
- b. Infection control and employee health were notified in real time of every positive H1N1 isolate. An electronic tabulation of positive results is being developed for the system
- c. Triage personnel are being trained at JHSH and ACHN (clerks) to recognize persons with influenza like illness. This training can be used system wide

2. Pharmaceuticals

- a. The pharmacy is equipped to report on stock of antiviral medications system wide
- b. An educational program for the administration of relenza (an antiviral agent) is being developed

3. Vaccine

- a. Pharmacy here will pre-register CCHHS for H1N1 vaccine
- b. Each facility must estimate the amount of vaccine needed for patients and employees (it is estimated that we have 6889 employees system wide)
- c. We are working with E. Reidy to help determine the feasibility of mandating influenza vaccine for CCHHS
- d. We need to plan for vaccine clinics throughout the system
- e. There is work being done to establish a separate clinic at the Core Center for H1N1 vaccine for Core Center patients.

4. Personal protective equipment (PPE)

- a. During the spring outbreak of H1N1 we regularly took stock of PPE throughout the system. This will again be reported at the August 27th meeting to determine what needs to be purchased, how to protect and distribute supplies throughout the system.
- b. We will need to purchase supplies for which we currently do not have a contract, such as table top containers of hand sanitizer. It is my hope that the group purchasing system will be in place.

5. Infection Control

- a. The hospital epidemiologists communicate regularly throughout the system
- b. We follow local, state and/or federal recommendations to the extent that they apply to our facilities

6. Employee Health

- a. A post exposure prophylaxis plan is being developed that should be able to be used system wide
- b. An electronic data base is essential for employees system wide

7. Education

- a. We have an H1N1 site on the Department of Medicine Website
- b. We have updated our annual infection control education electronic module to include H1N1 and seasonal flu; this is available to be used by others in the system
- c. We will post information throughout the hospital as was done in the spring (this information will all be on the website and available to everyone in the system)
- d. We have recommended that every employee have an e-mail account so that they can be updated regularly
- e. Each institution should have a venue to disseminate information; at JHSH we need to be able to have access to the auditorium which is currently not available for use

8. Laboratory

- a. The microbiology laboratory at JHSH processed approximately 900 viral specimens in the spring. They have requested, in their budget, to purchase equipment that will allow them to rapidly diagnose influenza and identify the specific type of influenza. It is the hope of the laboratory director that specimens throughout the system, from patients and healthcare workers, can be processed at JHSH laboratory

9. Human resources

- a. Planning for loss of staff due to illness, or due to staff caring for ill persons at home yet needs to be done system wide

10. Surge capacity

- a. This has been evaluated for the system in the past and will be revisited

Cook County Health and Hospitals System
Report of the Meeting of the Board of Directors
August 26, 2009

ATTACHMENT #3

Cook County Department of Public Health

Cook County Health & Hospitals System

Todd H. Stroger • President
Cook County Board of Commissioners

Warren L. Batts • Chairman
Cook County Health & Hospitals System

Jorge Ramirez • Vice Chairman
Cook County Health & Hospitals System

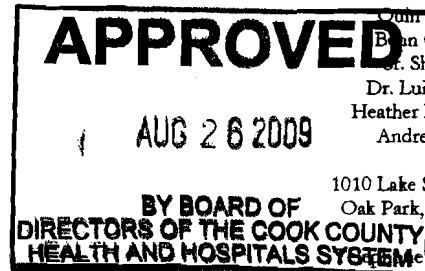
William T. Foley • CEO
Cook County Health & Hospitals System



Health System Board Members

Dr. David A. Ansell
Commissioner Jerry Butler
David N. Carvalho
Quinn Golden
Brian Greenspan
Dr. Sheila Lyne
Dr. Luis R. Muñoz
Heather E. O'Donnell
Andre L. Zopp

1010 Lake Street, Suite 300
Oak Park, Illinois 60301



(708) 492-2000
TDD (708) 492-2002

Stephen A. Martin, Jr., Ph.D., M.P.H.
Chief Operating Officer

July 23, 2009

Honorable Chairman and Members
Cook County Health and Hospital System Board

Transmitting a communication requesting authorization to accept the following **Grant Renewal** to continue services in 2009.

GRANTOR: Illinois Department of Public Health

FOR: A program which will establish and maintain an active surveillance system for HIV/AIDS case reporting in suburban Cook County hospitals and other reporting sources.

This grant does not require an application process; the funding is automatically renewed. The authorization to accept the previous grant was given by the Health and Hospital System Finance Committee on March 20, 2009 and by the Health and Hospitals System Board on April 9th, 2009 in the amount of \$70,290.00. Authorization was approved by the Cook County Board of Commissioners, in the amount of \$70,290.00 on March 17, 2009.

TOTAL GRANT AWARD: \$70,290.00

ESTIMATED FISCAL IMPACT: NONE

Funding Period: July 1, 2009 through June 30, 2010

Submitted by:

A handwritten signature in black ink, appearing to read "Stephen A. Martin, Jr.", written over a horizontal line.

Stephen A. Martin, Ph.D., M.P.H.
Chief Operating Officer

Cook County Health & Hospitals System

Todd H. Stroger • President
Cook County Board of Commissioners

Warren L. Batts • Chairman
Cook County Health & Hospitals System

Jorge Ramirez • Vice-Chairman
Cook County Health & Hospitals System

William T. Foley • CEO
Cook County Health & Hospitals System



1900 West Polk Street, Suite 220
Chicago, Illinois 60612
Tel: (312) 864-6820
Fax: (312) 864-9994

Health & Hospitals System Board Members

Dr. David A. Ansell
Commissioner Jerry Butler
David N. Carvalho
Quin R. Golden
Benn Greenspan
Sr. Sheila Lyne
Dr. Luis R. Muñoz
Heather E. O'Donnell
Andrea L. Zopp

JUL 24 2009

Mr. Warren L. Batts
Chairman, Cook County Health and
Hospitals System
1900 West Polk Street
Suite 220
Chicago, Illinois 60612

APPROVED

AUG 26 2009

BY BOARD OF
DIRECTORS OF THE COOK COUNTY
HEALTH AND HOSPITALS SYSTEM

Dear Chairman Batts:

I am requesting authorization to renew Maternal Child Health Bureau grant in the amount of \$17,698.00 from Great Lakes Hemophilia Foundation. This grant provides comprehensive diagnostic care and treatment to persons with hemophilia and other related blood clotting disorders.

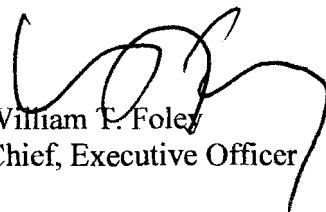
This grant does not require an application process; the funding is automatically renewed.

Authorization to accept previous grant was given on December 18, 2008 by the Cook County Health and Hospitals System in the amount of \$18,841.00.

The Budget Department has reviewed this item, and all requisite documents have been submitted.

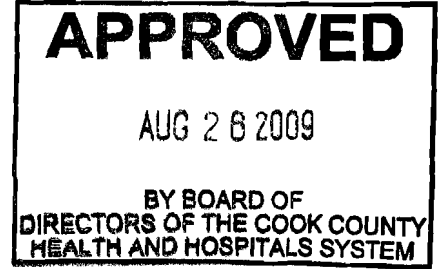
Estimated Fiscal Impact: None. Grant Award: \$17,698.00. Funding Period: June 1, 2009 – May 31, 2010.

Thank you for your consideration of this request.


William T. Foley
Chief, Executive Officer

COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Approval for Payment



Date: August 4, 2009

Sponsor: Martin Grant
Bureau Chief of Pharmacy

Operating Unit: Cook County Health & Hospitals System

Description of Services: Cardinal Health Solutions, Inc (3750 Torrey View Court, San Diego, CA 92130) for the provision of Pyxis Drug Control & Drug Dispensing.

Justification for This Contract: Contract No. 08-41-270 was originally approved by the County Board on 05/20/2008 and by the CCHHS Board on 11/20/2008. **These bills must go before the System Board in order for vendor payment to be processed.**

Cost of Contract And Terms:

Invoice#:	1620459-7	Amount:	\$150,591.00
	1620460-4		\$2,189.00
	1606514-7		\$586,321.00

Invoice Date: 7/28/09
Requisition #: 88974006-78600

Budget Info: Total Fiscal Impact: \$739,101.00
Budget Acct. #: 897-1563

Signatures:

CCHHS CFO

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CCHHS Director of Purchasing

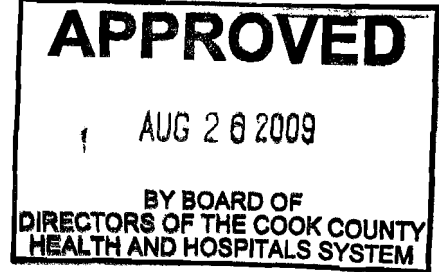
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CCHHS COO

A handwritten signature in dark ink, appearing to read "De B. Call for Tony Tedeschi", written over a horizontal line.

COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Approval for Payment



Date: August 14, 2009

Sponsor: Pitt R. Calkin
Chief Financial Officer

Operating Unit: Department of Finance Administration, John H. Stroger, Jr.
Hospital of Cook County

Description of Services: Chamberlin Edmonds & Associates, Inc. (3535 Pledmont
Road, Atlanta, GA 30305) for the provision of Claims
Processing Services.

Justification for This Contract: Contract No. 06-41-588 was originally approved by the
County Board on 06/20/2006. These bills must go before the
System Board in order for vendor payment to be processed.

Cost of Contract And Terms: Invoice #s: 500815-053109 Amounts: \$339,445.62 – month of May
500815-063009 \$280,631.14 – month of June

Contract Period: 07/01/2006 thru 06/30/2009

Budget Info: Total Fiscal Impact: \$620,076.76
Budget Acct. #: 897-1225

Signatures:

CCHHS CFO

A handwritten signature in dark ink, appearing to read "P. Calkin", written over a horizontal line.

CCHHS Director of
Purchasing

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CCHHS COO

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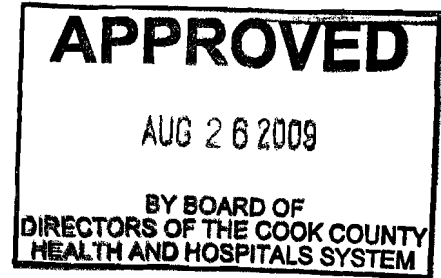
COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Approval for Payment

Date: August 4, 2009

Sponsor: Martin Grant
Bureau Chief of Pharmacy

Operating Unit: CCHHS



Description of Services: Sav Rx Chicago, Inc. (1550 S. Indiana Avenue, Suite 200, Chicago, IL 60605) for the provision of Mail Order Pharmacy- New & Refill Prescriptions, Stroger/Fantus and Provident Refill Prescriptions.

Justification for This Contract: Contract No. 08-41-145 was approved by the County Board on 2/20/2008. This bill must go before the System Board in order for vendor payment to be processed.

Cost of Contract And Terms: Invoice#: 200907 Amount: \$616,810.87 Date: 7/01/09 thru 7/31/09

Requisition No. 98900119-83438
Contract Period: 3/01/2008 thru 2/28/2011

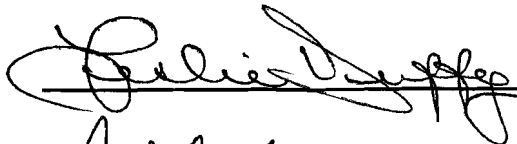
Budget Info: Budget Acct. No. 890/1200

Signatures:

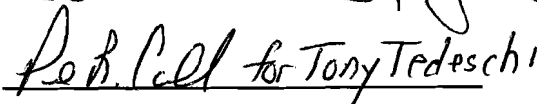
CCHHS CFO



CCHHS Director of Purchasing



CCHHS COO



COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Approval for Payment

APPROVED

AUG 26 2009

BY BOARD OF
DIRECTORS OF THE COOK COUNTY
HEALTH AND HOSPITALS SYSTEM

Date: August 4, 2009

Sponsor: Johnny C. Brown
Chief Operating Officer

Operating Unit: Department of Professional Affairs, John H. Stroger, Jr. Hospital
of Cook County

Description of Services: Aramark Healthcare (2300 Warrenville Rd., Downers Grove, IL 60515) for the provision of Professional Services rendered for Clinical Engineering and Biomedical Services for the period of 8/1/2009 – 8/31/2009.

Justification for This Contract: Contract No. 07-41-97 was originally approved by the County Board on 11/02/2006. This Bill must go before the System Board in order for vendor payment to be processed.

Cost of Contract And Terms: Invoice #'s: 20750809JSH Bill Amount: \$439,435.58

Contract Period: 12/01/2006 thru 11/30/2009
Requisition No. 98970045-83053

Budget Info: Budget Acct. No. 1225/897

Signatures:

Chief Operating
Officer

Johnny C. Brown 8/6/09

CCHHS CFO

Patt Colvin 8/7/09

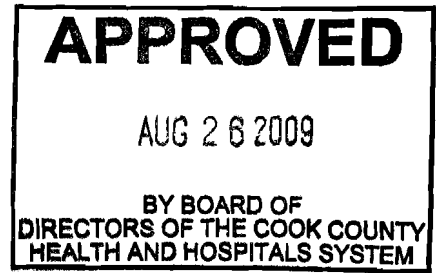
CCHHS Director of
Purchasing

Hester Duffey

CCHHS COO

COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Approval for Payment



Date: August 4, 2009

Sponsor: Daniel Howard, Director
Hospital Information Systems

Operating Unit: Cook County Health & Hospitals System

Description of Services: ACS Corporation (P.O. Box 201322 Dallas, TX 75320)
for the provision of professional fixed fees IT management
services and Cerner Functions-Clinical Apps.

Justification for This Contract: Contract No. 07-41-46 was originally authorized by the County
Board on 09/07/2006. **This bill must go before the System Board
in order for vendor payment to be processed.**

Cost of Contract And Terms: Invoice #:430411 Amount: \$329,166.67 – month of July

Contract Period: 01/01/2007 thru 12/31/2009
Requisition No. 98900161-83554

Budget Info: Budget Acct. No. 1200/890

Signatures:

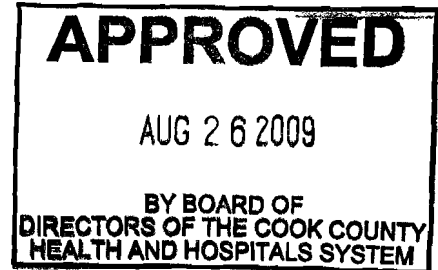
CCHHS CFO

CCHHS Director of
Purchasing

CCHHS COO

COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Approval for Payment



Date: August 4, 2009

Sponsor: Joanne Dulski
System-Wide Administrator
Director of Laboratories

Operating Unit: Department of Pathology Blood Bank, John H. Stroger Jr. Hospital

Description of Services: Lifesource Blood Services (1824 Paysphere Circle, Chicago, IL 60674) for the provision of Blood & Blood Products.

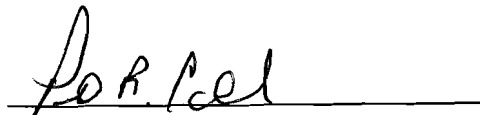
Justification for This Contract: Contract No. 08-73-73 was originally approved by the County Board on 04/23/2008. This bill must go before the System Board in order for vendor payment to be processed.

Cost of Contract And Terms: Invoice #: 0630-524 Amount: \$147,364.00 Date: 7/01/09 thru 7/15/09
Contract Period: 06/01/2008 thru 05/31/2010
Requisition No. 98970185-83764

Budget Info: Budget Acct. No. 1225/897

Signatures:

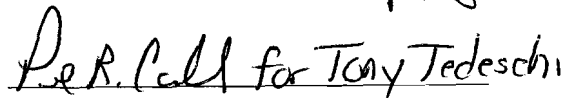
CCHHS CFO

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CCHHS Director of Purchasing

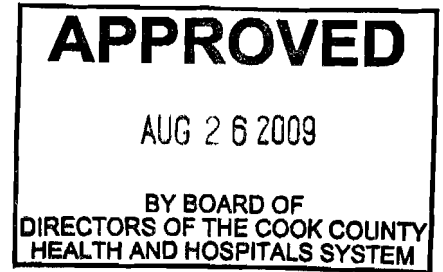
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CCHHS COO

A handwritten signature in dark ink, appearing to be "P. R. Call for Tony Tedeschi", written over a horizontal line.

COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Approval for Payment



Date: August 5, 2009

Sponsor: Daniel Howard, Director
Hospital Information Systems

Operating Unit: John H. Stroger, Jr. Hospital of Cook County

Description of Services: Siemens Medical Solutions (Malvern, PA 19355)
for the provision **maintenance and support for patient accounting system.**

Justification for This Contract: Contract No. 06-41-274 was originally approved by the County Board on 12/6/2005, then renewed by the System Board on 12/18/2008. This Bill must go before the System Board in order for vendor payment to be processed.

Cost of Contract And Terms: Invoice #: **38152** Invoice Date: 6/30/09 Amount: **\$142,553.63**

Contract Renewal Period: 1/10/2009 thru 1/9/2012
System Requisition No. 82298

Budget Info: Budget Acct. No. 1200/890

Signatures:

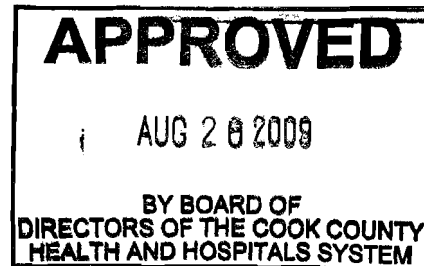
CCHHS CFO

CCHHS Director of Purchasing

CCHHS COO

COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Approval for Payment



Date: August 4, 2009

Sponsor: Johnny C. Brown
Chief Operating Officer

Operating Unit: John H. Stroger, Jr. Hospital of Cook County

Description of Services: Anchor Mechanical, Inc. (215 South Aberdeen, Chicago, IL 60607) for the provision of Maintenance, Repair, of Refrigeration and Ventilation Systems.

Justification for This Contract: Contract No. 08-53-233 was originally approved by the System Board on 12/18/2008. This bill must be presented before the System Board in order for vendor payment to be processed.

Cost of Contract And Terms: Invoice #: 4400C-43 Amount: \$117,484.37 – month of June 2009

Requisition #: 98970332-84770
Contract Period: 2/16/09 thru 2/15/12

Budget Info: Budget Acct. No. 897/1225

Signatures:

Sponsor

Johnny C. Brown 8/6/09

Operating Unit CFO

Pitt Calpin 8/7/09

CCHHS Director of Purchasing

Leslie Duffey

CCHHS COO

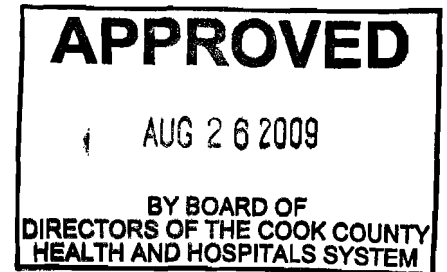
COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Approval for Payment

Date: August 3, 2009

Sponsor: Michael Puisis, M.D.
Chief Operating Officer

Operating Unit: Cermak Health Services



Description of Services: Issac Ray Center (1725 W. Harrison St., Suite 110, Chicago, IL 60612) for the provision of Mental Health Services.

Justification for This Contract: Contract No. 06-45-574 was originally approved by the County Board on 6/06/2006. This bill must go before the System Board in order for vendor payment to be processed.

Cost of Contract And Terms Invoice #: 2010-71 Amount: \$116,111.75 Date of Service: 7/16/09 - 7/31/09

Contract Period: 9/01/2006 thru 8/31/2010
System Requisition No. 84467

Budget Info: Budget Acct. No. 240-1195

Signatures:

CCHHS CFO

A handwritten signature in black ink, appearing to read "D. B. Cell", written over a horizontal line.

CCHHS Director of Purchasing

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CCHHS COO

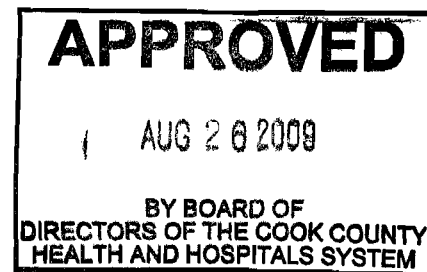
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**Cook County Health and Hospitals System
Approval of Payment**

Date: August 17, 2009

Sponsor: Stephen A. Martin Jr.,
Chief Operating Officer

Operating Unit: Cook County Department of Public Health



Description of Service:

Requesting approval of payment in the amount of \$37,500.00 for services provided by Healthways QuitNet, LLC. This sole source contract is to fulfill the requirement for the Tobacco Free Communities Grant from the Illinois Department of Public Health, to reduce tobacco use in suburban Cook County by providing a personalized and comprehensive online resource and support for people trying to quit smoking.

Justification for this contract:

Healthways QuitNet, LLC. Is the sole provider of the Quitnet.com services provided through a customized website, www.cookcounty.quitnet.com. QuitNet brings proven scientific methods and services to the web. Its services are built on the approaches and practices recommended by the U.S. Surgeon General, personalized content, expert counseling, social support, and help selecting and using FDA approved smoking-cessation services. Residents receive technical assistance as needed so that they can take full advantage of this customized service.

Cost of the contract and terms:

The request to enter into and execute this contract was approved by the System Board on April 9, 2009.

This one (1) year, grant-funded contract in the amount of \$37,500.00 commenced on July 1, 2008 and ended on June 30, 2009.

Budget information: The cost for this contract has been provided for within the current operating budget for the Tobacco Free Communities Grant 9350801.520835. Requisition # 89358022.

Signatures:

Sponsor COO

Operating Unit CFO

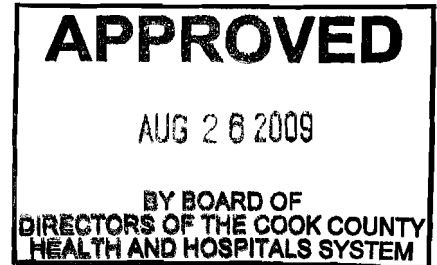
CCHHS Director
of Purchasing

CCHHS COO

Four handwritten signatures in black ink, each written over a horizontal line. The signatures are: Stephen A. Martin Jr. (Sponsor COO), a signature that appears to be "Leh. Cell" (Operating Unit CFO), a signature that appears to be "Leah" (CCHHS Director of Purchasing), and a signature that appears to be "Anthony" (CCHHS COO).

COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Request to amend previously approved Bill and Claim
Approval for Payment



Date: July 16, 2009

Sponsor: Leslie Duffy, R.N., M.B.A.
Director Supply Chain Management

Operating Unit: Cook County Health & Hospitals System

Description of Services: Navigant Consulting, Inc. (Chicago, IL 60674) for the provision of professional fees for consulting services.

Justification: Contract 09-41-223 was approved by the System Board on 5/22/2009. This bill must go before the System Board in order for vendor payment to be processed.

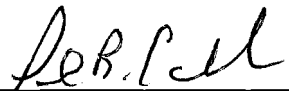
This request was approved by the Board of Directors of the Health and Hospitals System on August 12, 2009. Respectfully request to amend the previously approved item, to reflect the correct fiscal impact amount.


Cost of Contract And Terms: Invoice #: 277961 Invoice date: 7/09/2009


Contract Period: 5/22/2009 thru 8/31/2009
Requisition No. 98900489-85890

Budget Info: Total Fiscal Impact: ~~\$462,000.00~~ 353,750.00
Budget Acct. No. 890 - 260

Signatures:

Operating Unit CFO 

CCHHS Director of Purchasing 

CCHHS COO 

Cook County Health and Hospitals System

Amend Contract for Board Approval

APPROVED

AUG 28 2009

BY BOARD OF
DIRECTORS OF THE COOK COUNTY
HEALTH AND HOSPITALS SYSTEM

Sponsor:

Martin Grant, R.Ph., Health and Hospitals System
Director

Operating Unit:

Health and Hospitals System Pharmacy Administration

**Description of
Service:**

Amend Support and Maintenance agreement with PerSe Technologies (08-41-371) for the System wide outpatient pharmacy computer system to reflect a name change to McKesson Pharmacy Systems LLC. PerSe was acquired by McKesson and is now a subsidiary of McKesson.

**Justification for
this contract:**

Support and maintenance needed for System pharmacy outpatient computer system.

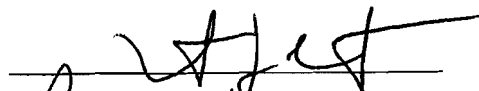
**Cost of the contract
and terms:**

Two year contract 1/1/2008-12/31/2009 for \$237,000


Budget information: The cost for this contract has been provided for within the current operating budget, Budget Unit # 8900601.

Signatures:

Sponsor



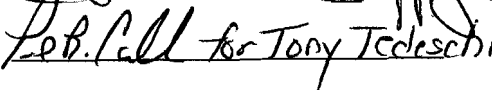
Operating Unit CFO



CCHHS Director
of Purchasing



CCHHS COO



1300 PICCARD DRIVE
SUITE 203
ROCKVILLE, MD 20850
800-488-1115
412-474-1000

July 3, 2008

To Whom It May Concern:

NDC Health d.b.a Per-Se Technologies a wholly owned subsidiary of McKesson Corporation is the sole owner, designer, developer and supplier of the proprietary Managed Care Pharmacy System (MCPS). As such only NDCHealth Corporation dba as Per-Se's personnel are allowed to provide Software Maintenance of any kind. Additionally, NDCHealth dba Per-Se does not employ or permit third party personnel to provide Software Maintenance of any kind.

Sincerely,

MaryEllen Lannon

MaryEllen Lannon
National Account Executive
McKesson Pharmacy Systems

COOK COUNTY HEALTH & HOSPITALS SYSTEM
Request to Increase Contract

Date: July 21, 2009

Sponsor: Bradley Langer, M.D.
Chairman
Department of Radiology

Operating Unit: John H. Stroger, Jr. Hospital of Cook County

Description of Services: Chicago Radiation Oncology SC (609 Sheridan Road, Glencoe, IL 60022), for the provision of On-Site Radiation Therapy Svcs

Justification for this Contract: We are requesting an increase of \$660,000.00 be added to the previous contract extension (Contract #05-41-192) passed by the board on 4/9/2009. The increase is required to adequately compensate the vendor for service over this period during the approved extension. The process of gaining approval for a renewed contract was administratively extended several times causing delay, yielding confusion. As a result the granted extension is for the correct time period though the dollars corresponding to that time period are inaccurate.

Cost of Contract and Terms: Contract No. 05-41-192
Extended Dates: 12/16/08 thru 6/16/09
Original Increase Amount: \$1,320,000.00
Increase Amount: \$660,000.00
(Original Contract Period: 12/16/06 – 12/15/08)
(Original Amount Awarded: \$7,920,000.00)

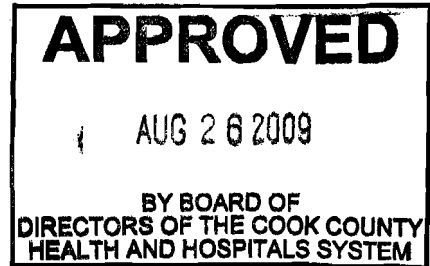
Budget Info: Budget Acct. No. 897/521200
Requisition # 88870215-76131
P.O. No. 160673

Signatures:
Chief Operating Officer

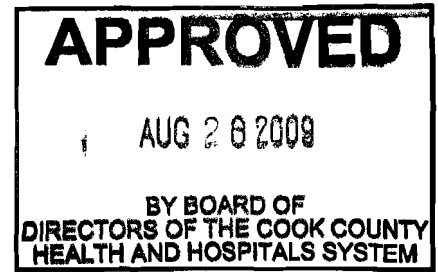
Operating Unit CFO

CCHHS Director of Purchasing

CCHHS COO



**Cook County Health and Hospitals System
Finance Committee
Contract Item for Board Approval,
Request to Increase and Extend Contracts**



Sponsor: Leslie Duffy, Director of Procurement, CCHHS

Operating Unit: Cook County Health and Hospital Systems

Description of Service:

Requesting approval to extend from 9/01/09 through 12/31/09 and increase contract #07-15-285H with the vendors listed below for the provision of Orthopedic Supplies. Original contract period 9/1/07 through 8/31/09.

Justification for this contract:

This extension is needed to allow time to bid, evaluate, and award Contract 09-15-285H for Orthopedic Supplies. Additional time was needed to develop specifications for new items added for the Orthopedic Clinics.

	<u>Original Amount</u>	<u>Requested Increase</u>	<u>Adjusted Amount</u>
<u>BIOELECTRONIC ENGINEERING & MEDICAL SUPPLIES</u>	\$116,344.45	\$20,027.21	\$136,371.66
<u>DDW & ASSOCIATES, INC.</u>	\$224,614.53	\$38,664.51	\$263,279.04
<u>EKLA CORPORATION</u>	\$329,165.32	\$56,661.59	\$385,826.91
<u>GLOBE MEDICAL SURGICAL SUPPLY COMPANY</u>	\$250,670.45	\$43,149.70	\$293,820.15
<u>PROGRESSIVE INDUSTRIES, INC.</u>	\$20,102.28	\$3,460.35	\$23,562.63
<u>PROTECTAIR, INC</u>	\$506,832.94	\$87,244.79	\$594,077.73
<u>SAMI DISTRIBUTORS</u>	\$3,729.53	\$641.99	\$4,371.52

Cost of the contract and terms:

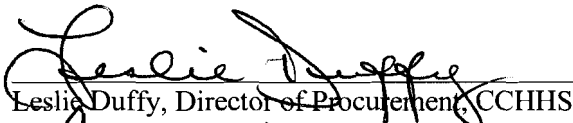
This is a 4 month extension to commence September, 1, 2009 and end on December 31, 2009. The total anticipated cost of this increase is **\$249,850.14**

Budget information:

The cost for this contract has been committed for the current operating budget of 2009 and future year funds for Medical and Surgical Supplies 240/891/897/898-362.

Signatures:

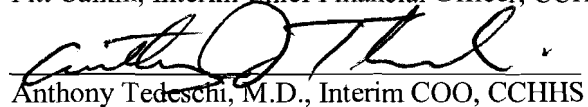
Sponsor


Leslie Duffy, Director of Procurement, CCHHS

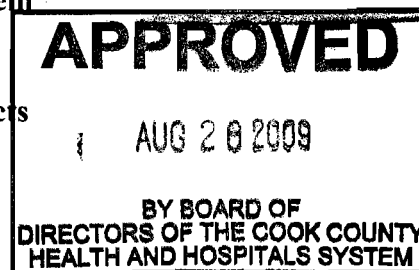
CCHHS CFO


Pitt Calkin, Interim Chief Financial Officer, CCHHS

CCHHS COO


Anthony Tedeschi, M.D., Interim COO, CCHHS

**Cook County Health and Hospitals System
Finance Committee
Contract Item for Board Approval,
Request to Increase and Extend Contracts**



Sponsor: Leslie Duffy, Director of Procurement, CCHHS

Operating Unit: Cook County Health and Hospital Systems

Description of Service:

Requesting approval to extend from 9/01/09 through 12/31/09 and increase contract #07-15-285H Rebid with the vendors listed below for the provision of Orthopedic Supplies. Original contract period 9/1/07 through 8/31/09.

Justification for this contract:

This extension is needed to allow time to bid, evaluate, and award Contract 09-15-285H for Orthopedic Supplies. Additional time was needed to develop specifications for new items added for the Orthopedic Clinics.

	<u>Original Amount</u>	<u>Requested Increase</u>	<u>Adjusted Amount</u>
<u>BIOELECTRONIC ENGINEERING & MEDICAL SUPPLIES</u>	\$8,970.00	\$1,258.63	\$10,228.63
<u>DDW & ASSOCIATES, INC.</u>	\$339.60	\$47.65	\$387.25
<u>EKLA CORPORATION</u>	\$543.00	\$76.19	\$619.19
<u>PROGRESSIVE INDUSTRIES, INC.</u>	\$16,156.74	\$2,267.04	\$18,423.78
<u>BIO-TEK MEDICAL SUPPLIES, INC.</u>	\$188,356.40	\$26,429.27	\$214,785.67
<u>SAMI DISTRIBUTORS</u>	\$97,193.40	\$13,637.71	\$110,831.11

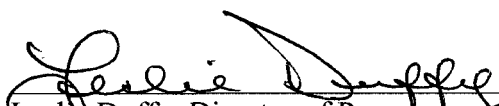
Cost of the contract and terms:

This is a 4 month extension to commence September, 1, 2009 and end on December 31, 2009. The total anticipated cost of this increase is \$43,716.49


Budget information: The cost for this contract has been committed for the current operating budget of 2009 and future year funds for Medical and Surgical Supplies 240/891/897/898-362.

Signatures:

Sponsor


Leslie Duffy, Director of Procurement, CCHHS

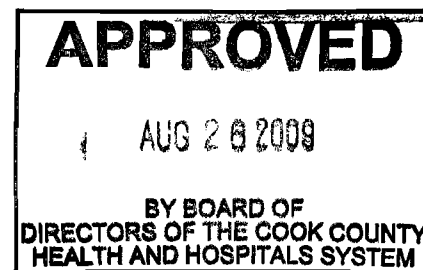
CCHHS CFO


Pitt Calkin, Interim Chief Financial Officer, CCHHS

CCHHS COO


Anthony Tedeschi, M.D., Interim COO, CCHHS

**Cook County Health and Hospitals System
Finance Committee
Contract Item for Board Approval,
Request to Increase and Extend Contracts**



Sponsor: Leslie Duffy, Director of Procurement, CCHHS

Operating Unit: Cook County Health and Hospital Systems

Description of Service:

Requesting approval to extend from 9/01/09 through 12/31/09 and increase contract #07-15-285H3 with the vendors listed below for the provision of Orthopedic Supplies. Original contract period 9/1/07 through 8/31/09.

Justification for this contract:

This extension is needed to allow time to bid, evaluate, and award Contract 09-15-285H for Orthopedic Supplies. Additional time was needed to develop specifications for new items added for the Orthopedic Clinics.

	<u>Original Amount</u>	<u>Requested Increase</u>	<u>Adjusted Amount</u>
<u>O & M</u> <u>ENTERPRISE</u>	\$2,947.50	\$507.37	\$3,454.87
<u>PROGRESSIVE</u> <u>INDUSTRIES, INC.</u>	\$3,922.35	\$675.18	\$4,597.53
<u>EKLA</u> <u>CORPORATION</u>	\$42,493.50	\$7,314.65	\$49,808.15

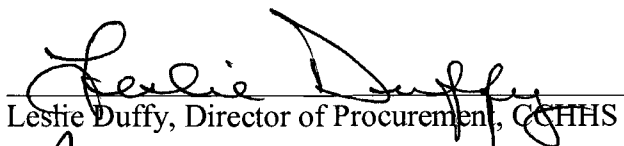
Cost of the contract and terms:

This is a 4 month extension to commence September, 1, 2009 and end on December 31, 2009. The total anticipated cost of this increase is **\$8,497.20**

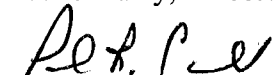
Budget information: The cost for this contract has been committed for the current operating budget of 2009 and future year funds for Medical and Surgical Supplies 240/891/897/898-362.

Signatures:


Sponsor


Leslie Duffy, Director of Procurement, CCHHS

CCHHS CFO


Pitt Calkin, Interim Chief Financial Officer, CCHHS

CCHHS COO


Anthony Tedeschi, M.D., Interim COO, CCHHS

Cook County Health and Hospitals System

Contract Increase and Extension

Date: 8/3/09

Sponsor: Sylvia Edwards, R.N., M.B.A.
Chief Operating Officer

Operating Unit: Oak Forest Hospital of Cook County

Description of Service:

Requesting approval to increase by \$100,000.00 and extend for three months, Contract 08-53-179 Rebid with Divane Brothers Electric Co., Franklin Park IL. 60131 for the Maintenance, Testing and Repair of the Honeywell HVAC and Security System at Oak Forest Hospital.

Justification for this contract:

An increase to this contract is necessary so that major repairs to the Tamper Modules, EBI Computer, Smoke Detectors and the replacement of panels at Oak Forest Hospital can be completed within the contract period. The extension is needed until the award and implementation of a new contract.

Cost of the contract and terms:

The current contract 08-53-179 Rebid was awarded by the Cook County Health and Hospital Systems Board on 8/7/08 for a one year period in the amount of \$211,985.00 which expires on 11/12/09.

Budget information: 898-450

Signatures:

Sponsor

Sylvia Edwards

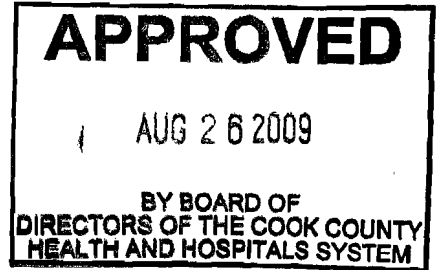
CCHHS CFO

Pitt Collins / 8/3/09

CCHHS Director
of Purchasing

Leslie Luffey

CCHHS COO



AUG 05 2009

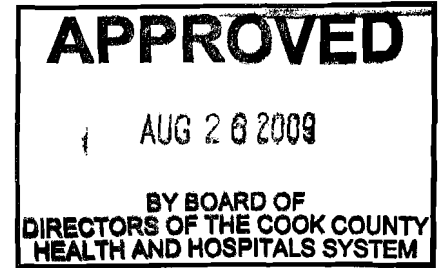
Cook County Health and Hospitals System

Contract Extension and Increase

Date: August 3, 2009

Sponsor: Leslie Duffy, R.N., M.B.A.
Senior Director, Supply Chain Management

Operating Unit: John H. Stroger, Jr. Hospital of Cook County



Description of Service:

Requesting approval to extend and increase contract 08-45-40 from 9/8/2009 through 10/7/2009 with McMahon Food Corporation, Chicago, IL for John H. Stroger, Jr. Hospital for the purchase of Juice Products.

Justification for this Contract:

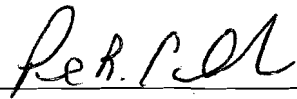
The extension and increase will allow continuation of food services while awaiting the finalization of a new food distribution contract.


Cost of the contract and terms:


This contract was originally awarded by the Cook County Board on 3/6/2008 for a one year period, 9/8/08 through 9/7/09 and amount awarded was \$132,576.00

Budget Information: Fiscal Impact: 897 / 310 - \$16,000.00

Signatures:

CCHHS CFO 

CCHHS Director
Of Purchasing 

CCHHS COO 

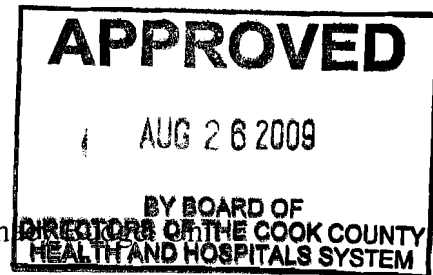
COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Request to Enter Into & Execute

Date: August 14, 2009

Sponsor: Martin Grant, RPh
CCHHS Pharmacy Director

Operating Unit: Cook County Health and Hospitals System Pharmacy
#8900801



Description of Services: This contract is for the provision of electronic ambulatory pharmacy claims adjudication, eligibility services, cleansing and claims re-mining services.


Justification for This Contract: To electronically adjudicate, eligibility check, cleanse and re-mine an estimated \$36 million in yearly Medicaid and Medicare D prescription claims. Three proposals were received and reviewed for the provision of this service. Eligibility Services, Inc. was determined to be the most qualified vendor per the conditions as set forth in proposal #08-50-2019P (Prescription Claims Processing Services).


Cost of Contract And Terms: Three year contract shall be based on a 12% contingency of net IGT revenues collected and 12% of revenue/cash received for claims by any other third party payor, including Medicare Contract term (10/1/2009-9/30/2012).

Budget Info: No Budgetary Account Impact

Signatures:

Operating Unit CFO 

CCHHS Director of Purchasing 

CCHHS COO 

John H. Stroger, Jr. Hospital of Cook County

Cook County Health & Hospitals System

(formerly Cook County Bureau of Health Services)



Todd H. Stroger • President
Cook County Board of Commissioners

Warren L. Batts • Chairman
Cook County Health & Hospitals System

Jorge Ramirez • Vice-Chairman
Cook County Health & Hospitals System

William T. Foley • CEO
Cook County Health & Hospitals System

Health System Board Members

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Commissioner Jerry Butler
David N. Carvalho
Quin R. Golden
Benn Greenspan
Sr. Sheila Lyne
Dr. Luis R. Muñoz
Heather E. O'Donnell
Andrea L. Zopp

1901 West Harrison Street
Chicago, Illinois 60612
(312) 864-6000
TDD (312) 864-0100

Johnny C. Brown
Chief Operating Officer

Ms. Leslie Duffy RN MBA
CCHHS Senior, Director, Supply Chain Management
1901 West Harrison St RM 5360
Chicago, IL 60612

August 3, 2009

Dear Ms. Duffy,

Three proposals were submitted for Prescription Claims Processing Services (RFP#08-502019P) by ESI, Ready Made Staffing and SAV-RX. Attached is a matrix scoring the three companies according to the requirements within the RFP.

The company with highest cumulative points was ESI. This company is the current billing vendor and is fully capable of handling all the requirements of the RFP. The SAV-RX proposal claimed the ability to comply with all requirements, but did not indicate how it would be accomplished. An on-site presentation of the SAV-RX solution was requested. SAV-RX provided a flow diagram detailing their electronic claims system. The diagram included three main components: 1) electronic submission of raw claim 2) receipt of raw claim into SQL database for scrubbing of data, eligibility checking and proper routing and 3) claims adjudication. However, it was determined that SAV-RX did not have a current customer utilizing the proposed billing flow. In addition, there was no working model of the solution presented. Further more, the second component (SQL database) mentioned above, would have to be developed and tested. Therefore, SAV-RX was not recommended as a qualified proposer. The proposal by Ready Made Staffing, a staffing company was also reviewed. Ready Made Staffing proposed placing 15-20 people in an office to process the claims. The proposal specifications called for an electronic system for the processing of claims. Pharmacy claims are normally processed electronically throughout the industry with minimal human intervention. This allows for the immediate adjudication of claims and real-time co-pay information returned to the pharmacy during the prescription filling and dispensing process. Ready Made Staffing did not meet any requirements requested in the proposal. Also, Ready Made Staffing did not submit the requested references for pharmacy claim adjudication services. All references provided referred to companies using Ready Made for staffing purposes.

Therefore, based on a review of the information provided, we are recommending that ESI be awarded the proposal.

Your assistance with this matter is appreciated.

Sincerely

Martin Grant
Cook County Health and Hospital Systems Pharmacy Director

21
2

We Bring Health **CARE** to Your Community

THE BOARD OF COMMISSIONERS

TODD H. STROGER

PRESIDENT

COOK COUNTY
OFFICE OF CONTRACT COMPLIANCEBETTY HANCOCK PERRY
DIRECTOR118 North Clark Street, Room 1020
Chicago, Illinois 60602-1304
E-MAIL: bherry@cookcountygov.com
TEL (312) 603-5502
FAX (312) 603-4547

ILEAN COLLINS	1st Dist.	PETER N. GILVESTRI	9th Dist.
BERT STEELE	2nd Dist.	MIKE DUBLEY	10th Dist.
RY BUTLER	3rd Dist.	JOHN P. DALEY	11th Dist.
LIAM M. BEAVERS	4th Dist.	FORREST CLAYPOOL	12th Dist.
JOHAN SIMS	5th Dist.	LARRY SUPPREDIN	13th Dist.
IV PATRICIA MURPHY	6th Dist.	GREGG GOSLIN	14th Dist.
JEFF MARIO MORENO	7th Dist.	TIMOTHY D. SCHNEIDER	15th Dist.
BERTO MALDONADO	8th Dist.	ANTHONY J. FERRAICA	16th Dist.
		ELIZABETH ANN DODDY GORMAN	17th Dist.

March 25, 2009

Ms. Carmen K. Triche-Colvin
Purchasing Agent
Office of the Purchasing Agent
118 North Clark Street- Room 1018
Chicago, Illinois 60602

RECEIVED
OFFICE OF THE
PURCHASING AGENT
09 MAR 26 AM 8:59

Re: RFP 08-50-2019P Prescription Claims Processing Services

The following bidders for the above referenced Request-for-Proposal have been reviewed for compliance with the General Conditions regarding the Minority and Women Business Enterprise Ordinance and have been found responsive to the Ordinance.

- Ready Made Staffing
- SAV-RX
- Eligibility Services, Inc. (ESI)

Sincerely,

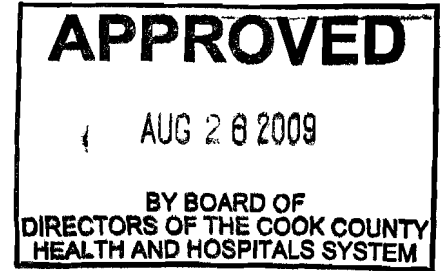
Betty Hancock Perry
Director, Contract Compliance

BHP:sdr



COOK COUNTY HEALTH AND HOSPITALS SYSTEM

Award & Execute



Date: August 5, 2009

Sponsor: Sandra Ankebrant
Chief Operating Officer

Operating Unit: Ambulatory & Community Health Network of Cook County

Description of Services: Dayspring, Inc. (South Holland, IL 60473) for the provision of Janitorial Services.

Justification for This Contract: We have reviewed the bid tabulations for contract 09-53-132 and recommend award to the lowest qualified bidder meeting the specifications, Dayspring Incorporated.

Cost of Contract And Terms: This is a twenty-four (24) month contract in the amount of \$847,536.00 to commence upon award, execution and implementation of the contract.

Budget Info: Budget Acct. No. 893-1597

Signatures:

CCHHS CFO

P. R. Cell

CCHHS Director of Purchasing

[Signature]

CCHHS CEO

P. R. Cell for Tony Indeschi

Todd H. Stroger • President
Cook County Board of Commissioners

Warren L. Batts • Chairman
Cook County Health & Hospitals System

Jorge Ramirez • Vice-Chairman
Cook County Health & Hospitals System

David R. Small, FACHE • Interim CEO
Cook County Health & Hospitals System

1900 West Polk Street, Suite 220
Chicago, Illinois 60612
Tel: (312) 864-6820
Fax: (312) 864-9994



Health System Board Members

Dr. David A. Ansell
Commissioner Jerry Butler
David N. Carvalho
Quin R. Golden
Benn Greenspan
Sr. Sheila Lyne
Dr. Luis R. Muñoz
Heather E. O'Donnell
Andrea L. Zopp

Sandra Ankebrant, COO

Ambulatory and Community Health Network
of Cook County
1901 West Harrison Street
Chicago, Illinois 60612

Ms. Carmen Triche-Colvin
Cook County Interim Purchasing Agent
118 North Clark Street –Room 1020
Chicago, Illinois 60602

July 7, 2009

Re: Contract No. 09-53-132
Janitorial Services for the Department of ACHN of Cook County

Dear Ms. Triche-Colvin

We have reviewed the bid tabulations for the above referenced contract and recommend award to the lowest qualified bidder meeting the specifications, Dayspring Incorporated in the amount of \$847,536.00.

The first apparent low bidders T.L.C Janitorial Services and Executive Janitorial Services were found non responsive to paying all wages, health and welfare, and fringe benefits as set forth in the Builders Owners & Managers Association, as called for in the specifications and required by the Purchasing Ordinance.

The third apparent low bidder Folashade's Cleaning Services did not submit proof of Health Care Janitorial experience and a staffing plan has outline in the first paragraph of the cleaning specifications and does not have experience with Health Care accrediting organizations.

The Fourth apparent low bidder Uni-Max Management Corporation does not have the Health Care experience required per the contract cleaning specifications and consequently no experience with Health Care Accrediting Organizations.

The Fifth apparent low bidder Dust Em Clean Maintenance provided us with a Health Care reference call Advance Occupational Medicine Specialist. When we contacted the Executive Director of the Organization (Johanna Anderson) she told us that Dust Em has only been servicing her facility for a month and that they are not satisfied with their team a month into the agreement.

Todd H. Stroger • President
Cook County Board of Commissioners

Warren L. Batts • Chairman
Cook County Health & Hospitals System

Jorge Ramirez • Vice-Chairman
Cook County Health & Hospitals System

David R. Small, FACHE • Interim CEO
Cook County Health & Hospitals System

1900 West Polk Street, Suite 220
Chicago, Illinois 60612
Tel: (312) 864-6820
Fax: (312) 864-9994



Health System Board Members

Dr. David A. Ansell
Commissioner Jerry Butler
David N. Carvalho
Quin R. Golden
Benn Greenspan
Sr. Sheila Lyne
Dr. Luis R. Muñoz
Heather E. O'Donnell
Andrea L. Zopp

Sandra Ankebrant, COO

Ambulatory and Community Health Network
of Cook County
1901 West Harrison Street
Chicago, Illinois 60612

Page 2

The six and seventh low bidders T&T Maintenance Cleaning and A-1 Garfield Exterminators and Janitorial Services were found non responsive to paying all wages, health and welfare, and fringe benefits as set forth in the Builders Owners & Managers Association.

Your assistance with this request is appreciated.

Sincerely,

Sandra Ankebrant, C.O.O
Ambulatory & Community Health Network of Cook County

COOK COUNTY HEALTH AND HOSPITALS SYSTEM

DEFERRED

Request to Award & Execute

on August 26, 2009 by the
CCHHS Board of Directors

Date: July 27, 2009

Sponsor: Leslie Duffy, R.N., M.B.A.
Director Supply Chain Management

Operating Unit: Department of Pharmacy Administration, CCHHS

Description of Services: Ready Data, Inc. (New York, NY 10016) for the provision of cartridges, toner, Lexmark.

Justification for This Contract: A request for bids was initiated and Ready Data, Inc. was chosen by virtue of them being the lowest bidder meeting all specifications and being responsive to the MBE/WBE ordinance.

Cost of Contract And Terms: Contract No. 09-84-39
24 month contract

Budget Info: Fiscal Impact: \$835,093.40
Budget Acct. No. 890-361

Signatures:

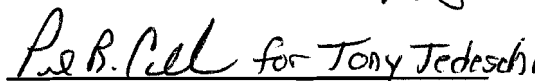
Operating Unit CFO



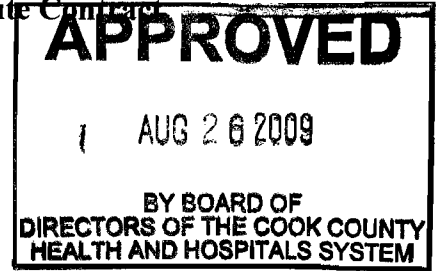
CCHHS Director of Purchasing



CCHHS COO



**Cook County Health and Hospitals System
Finance Committee
Contract Item for Board Approval,
Request to Award Bid, and Request to Enter Into and Execute Contract**



Sponsor: Leslie Duffy, Director of Procurement, CCHHS

Operating Unit: Cook County Health and Hospitals System

Description of Service:

Authorization is requested to enter into contract with the following lowest qualified bidders meeting specifications for the provision of Disposable Tracheostomy & Laryngectomy Tubes. Contract number 09-15-123H.

Justification for this contract:*

The following vendors are the lowest qualified bidders meeting specifications, and were found to be responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator:

- Atlas & Associates: Item 59.
- Bioelectronic Engineering & Medical Supplies: Items 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 12, 13, 18, 19, 20, 21, 22, 30, 31, 33, 34, 35, 36, 37, 38, 39, 40 and 51.
- Ekla Corporation: Items 11, 23, 24, 25, 32 and 52.
- Northwestern Pharmaceutical & Supply Corporation: Items 14, 15, 16, 17, 26, 27, 28, 29, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 53, 54, 55, 56, 57 and 58.

Cost of the contract and terms:

This is a 24 month contract to commence upon Board Award. The total anticipated cost of this contract is \$ 793,577.72.

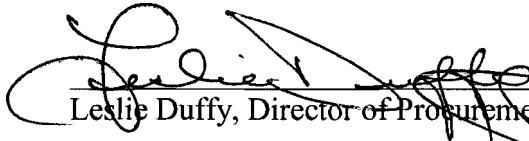
Atlas & Associates	\$	344.70
Bioelectronic Engineering & Medical Supplies	\$	370,483.02
Ekla Corporation	\$	345,126.50
Northwestern Pharmaceutical & Supply Corporation	\$	77,623.50
Total	\$	793,577.72

Budget information: The cost for this contract has been committed for the current operating budget of 2009 and future year funds for Medical and Surgical Supplies 240/891/897/898-362.

* Contained in the backup materials are justifications to award bids, and request to enter into and execute contracts.

Signatures:

Sponsor


Leslie Duffy, Director of Procurement, CCHHS

CCHHS CFO

 7/24/09
Pitt Calkin, Interim Chief Financial Officer, CCHHS

CCHHS COO

 7-24-09
David R. Small, F.A.C.H.E., COO, CCHHS

APPROVED

AUG 26 2009

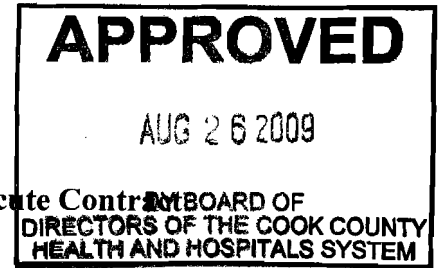
BY BOARD OF
DIRECTORS OF THE COOK COUNTY
HEALTH AND HOSPITALS SYSTEM

The following bidder did not meet specifications. Justification provided per item:

The apparent lowest bidder did not meet specifications for the following item therefore request award to Ekla Corporation.

- Item 32: In that the bid offered by Ekla Corporation does not exceed by more than 2% the lowest responsible bid as offered by Bioelectronic Engineering & Medical Supplies, the bid offered by Ekla Corporation shall be considered the low bid, as per Cook County Local Business Preference Ordinance.

**Cook County Health and Hospitals System
Finance Committee
Contract Item for Board Approval,
Request to Award Bid, and Request to Enter Into and Execute Contract**



Sponsor: Leslie Duffy, Director of Procurement, CCHHS

Operating Unit: Cook County Health and Hospitals System

Description of Service:

Authorization is requested to enter into contract with the following lowest qualified bidders meeting specifications for the provision of Surgical Supplies. Contract number 09-15-468H.

Justification for this contract:*

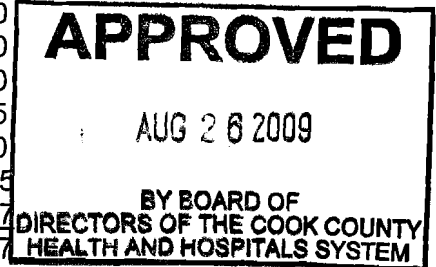
The following vendors are the lowest qualified bidders meeting specifications, and were found to be responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator:

- Bioelectronic Engineering & Medical Supplies: Items 8, 31, 68 Base and 70.
- Ekla Corporation: Items 1 Alt.-1, 2 Alt.-1, 3 Alt.-1, 37 Base, 51, 52, 77, 78 Base, and 81 Base.
- Globe Medical-Surgical Supply Company: Items 35, 82, 93, 97, 98, 99, 100 and 101.
- Howard Medical Company: Items 9, 10, 39, 40, 73, 88, 110, 111, 112, 113, 114, 115 and 116.
- MMS-A Medical Supply Company: Items 5, 24, 25, 26, 27, 28, 29, 30, 36, 41 Base, 65, 76, 83, 92, 108 and 109.
- Northwestern Pharmaceutical & Supply Corporation: Items 6, 7, 34, 42, 54, 55, 56, 57, 58, 59, 60, 79 and 80.
- Progressive Industries, Inc.: Items 11 Alt., 12 Alt., 13 Alt., 14 Alt., 15 Alt., 16 Alt., 17 Alt., 18 Alt., 19 Alt., 20, 21, 22, 23, 32 Base, 33 Base, 43 Alt., 44, 45, 46, 47, 48, 49 Base, 50 Base, 53, 61, 62 Alt., 63 Base, 64 Base, 67 Base, 69 Base, 71, 72, 75, 89, 90 Base, 91, 103, 104, 105, 106 and 107.

Cost of the contract and terms:

This is a 9 month contract to commence upon Board Award and end on April 30, 2010. The total anticipated cost of this contract is \$ **775,096.57**.

Bioelectronic Engineering & Medical Supplies	\$	39,551.60
Ekla Corporation	\$	7,828.20
Globe Medical-Surgical Supply Company	\$	47,623.80
Howard Medical Company	\$	66,654.65
MMS-A Medical Supply Company	\$	44,085.60
Northwestern Pharmaceutical & Supply Corporation	\$	343,637.85
Progressive Industries, Inc.	\$	225,714.87
Total	\$	775,096.57

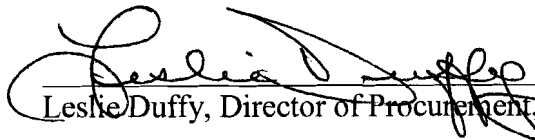


Budget information: The cost for this contract has been committed for the current operating budget of 2009 and future year funds for Medical and Surgical Supplies 240/891/897/898-362.

* Contained in the backup materials are justifications to award bids, and request to enter into and execute contracts.

Signatures:

Sponsor


Leslie Duffy, Director of Procurement, CCHHS

CCHHS CFO

Pitt Calkin, Interim Chief Financial Officer, CCHHS

CCHHS COO

 7-24-09
David R. Small, F.A.C.H.E., COO, CCHHS

The following bidders did not meet specifications. Justification provided per item:

The apparent lowest bidders did not meet specifications for the following items therefore request award to MMS-A Medical Supply Company.

- Item 41: MMS – A Medical Supply Company (Alternate) failed to provide samples as specified.
- Item 65: Progressive Industries, Inc. (Alternate) failed to provide samples as specified.
- Item 76: Progressive Industries, Inc. (Base) failed to provide samples as specified.
- Items 108 through 109: Shall be awarded in whole to one manufacturer / vendor to allow for compatibility between products.

The apparent lowest bidders did not meet specifications for the following items therefore request award to Progressive Industries, Inc.

- Item 22: In that the bid offered by Progressive Industries, Inc. does not exceed by more than 2% the lowest responsible bid as offered by MMS – A Medical Supply Company, the bid offered by Progressive Industries, Inc. shall be considered the low bid as per Cook County Local Business Preference Ordinance.
- Item 43: Progressive Industries, Inc. (Base) and (Alternate) were tied as the lowest responsible bidders. Progressive Industries, Inc. (Alternate) is incumbent and therefore shall be considered the low bid.
- Item 64: Progressive Industries, Inc. (Alternate) failed to provide samples as specified.
- Item 90: Ekla Corporation (Alternate) and Progressive Industries, Inc. (Alternate) failed to provide samples as specified.
- Items 103 through 107: Shall be awarded in whole to one manufacturer / vendor to allow for compatibility between products. Northwestern Pharmaceutical & Supply Corporation failed to provide samples as specified.

Cook County Health and Hospitals System

Request to Award Bid, Enter into and Execute Contract

APPROVED

AUG 26 2009

BY BOARD OF
DIRECTORS OF THE COOK COUNTY
HEALTH AND HOSPITALS SYSTEM

Date: August 4, 2009

Sponsor: Leslie Duffy, R.N., M.B.A.
Senior Director, Supply Chain Management

Operating Unit: Cook County Health and Hospital Systems

Description of Service: Requesting approval to award and execute contract 09-83-88 to Finer Foods, Inc., Chicago, IL. For Frozen Convenience Foods for John H. Stroger, Jr. Hospital (Section I) and Oak Forest Hospital (Section II) of Cook County.

Justification for this contract: A request for bid proposals was initiated and evaluated by the user department. Finer Foods, Inc. was chosen by virtue of them being the lowest bidder meeting all specifications and meeting MBE/WBE ordinance requirements.

Cost of the contract and terms: This is a one year contract to commence upon execution and implementation of the contract.

Budget Information: Fiscal Impact: 897 / 310 – Section I, \$380,692.84
898 / 310 – Section II, \$224,295.04

Signatures:

CCHHS CFO

Deb. Pull

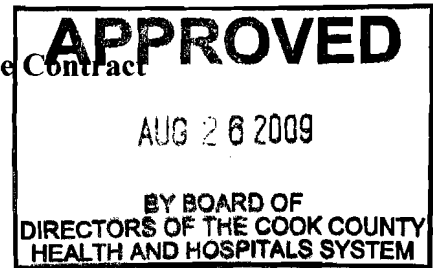
CCHHS Director
of Purchasing:

Leslie Duffy

CCHHS COO

Deb. Pull for Tony Tedeschi

**Cook County Health and Hospitals System
Finance Committee
Contract Item for Board Approval,
Request to Award Bid, and Request to Enter Into and Execute Contract**



Sponsor: Leslie Duffy, Director of Procurement, CCHHS

Operating Unit: Cook County Health and Hospitals System

Description of Service:

Authorization is requested to enter into contract with the following lowest qualified bidders meeting specifications for the provision of Receptacle Containers & Liners. Contract number 09-15-048H.

Justification for this contract:*

The following vendors are the lowest qualified bidders meeting specifications, and were found to be responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator:

- Aztec Supply Corporation: Items 12, 13, 14, 16 Alt., 18 Alt. and 26.
- Bioelectronic Engineering & Medical Supplies: Item 8.
- Globe Medical-Surgical Supply Company: Items 6, 7, 9, 10 and 11.
- Inlander Brothers, Inc.: Items 2 Alt., 3, 4, 17 Alt., 19 Alt., 22 Alt., 25, 28, 29 and 30.
- Inter-City Supply Company, Inc.: Items 5 Alt. and 23 Alt.
- Progressive Industries, Inc.: Items 1 and 21.

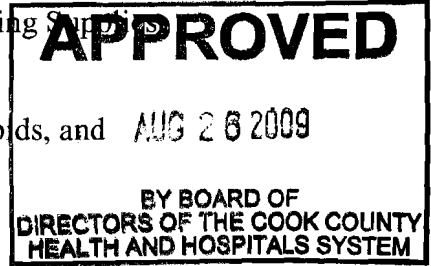
Cost of the contract and terms:

This is a 10 month contract to commence upon Board Award and end on April 30, 2010. The total anticipated cost of this contract is \$ 383,853.70.

Aztec Supply Corporation	\$ 67,808.02
Bioelectronic Engineering & Medical Supplies	\$ 1,175.00
Globe Medical-Surgical Supply Company	\$ 40,186.90
Inlander Brothers, Inc.	\$ 268,226.05
Inter-City Supply Company, Inc.	\$ 2,770.13
Progressive Industries, Inc.	\$ 3,687.60
Total	\$ 383,853.70

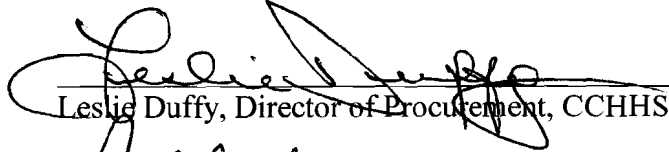
Budget information: The cost for this contract has been committed for the current operating budget of 2009 and future year funds for Household & Cleaning Supplies 240/891/897/898-330.

* Contained in the backup materials are justifications to award bids, and request to enter into and execute contracts.



Signatures:

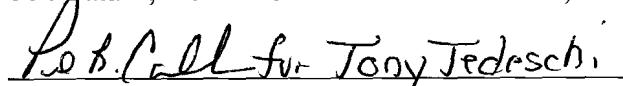
Sponsor


Leslie Duffy, Director of Procurement, CCHHS

CCHHS CFO


Pitt Calkin, Interim Chief Financial Officer, CCHHS

CCHHS COO


David R. Small, F.A.C.H.E., COO, CCHHS

The following bidders did not meet specifications. Justification provided per item:

The apparent lowest bidders did not meet specifications for the following items therefore request award Aztec Supply Corporation.

- Items 12, 13, 14: Inter-City Supply Company, Inc. (Alternate) failed to provide samples as specified.
- Items 16, 18: In that Aztec Supply Corporation (Alternate) bid for recycled plastic is less than 10% higher than the lowest responsible bid offered by Aztec Supply Corporation (Base) for virgin plastic, Aztec Supply Corporation (Alternate) recycled plastic bid shall be considered the low bid as per the Cook County Recycling Ordinance.

The apparent lowest bidder did not meet specifications for the following item therefore request award to Globe Medical-Surgical Supply Company.

- Item 7: In that Globe Medical-Surgical Supply Company bid for recycled plastic is less than 10% higher than the lowest responsible bid offered by Ekla Corporation (Base) for virgin plastic, Globe Medical-Surgical Supply Company recycled plastic bid shall be considered the low bid as per the Cook County Recycling Ordinance.

The apparent lowest bidders did not meet specifications for the following items therefore request award to Inlander Brothers, Inc.

- Item 2: In that Inlander Brothers Inc. (Alternate) bid for recycled plastic is less than 10% higher than the lowest responsible bid offered by Ekla Corporation and Unipak Corporation for virgin plastic, Inlander Brothers Inc. (Alternate) recycled plastic bid shall be considered the low bid as per the Cook County Recycling Ordinance.
- Item 17: Bren Products Company (Base & Alternate) and Central Poly Corporation (Base & Alternate) failed to provide samples as specified.
- Item 19: Unipak Corporation (Base & Alternate) and Aztec Supply Corporation (Base) failed to provide samples as specified. Central Poly Corporation (Base & Alternate) while meeting specifications was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator.
- Item 28: Aztec Supply Corporation (Base) failed to provide samples as specified.
- Item 29: Aztec Supply Corporation failed to provide samples as specified.

The apparent lowest bidders did not meet specifications for the following item therefore request award to Progressive Industries, Inc.

- Item 21: Interboro Packaging Corporation (Base & Alternate) and The Standard Companies while meeting specifications were found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Aztec Supply Corporation (Base & Alternate) failed to provide samples as specified. La Paloma is not offering a firm price as specified.

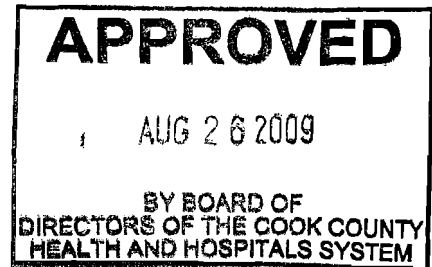
Cook County Health and Hospitals System

Cancel and Rebid

Date: 7/8/2009

Sponsor: Leslie Duffy, R.N., M.B.A.
Senior Director Supply Chain Management

Operating Unit: Cook County Health and Hospital Systems



Description of Service: This Open Market Purchase, OMP- 09-45-2283 is for the provision of Seafood Products for John H. Stroger, Jr. Hospital (Section I) and Oak Forest Hospital (Section II) of Cook County.

Justification for this contract: This contract is needed to provide seafood products to the hospitals, John H. Stroger, Jr. and Oak Forest.

Cost of the contract and terms: The responses from the bidders exceeded the estimated cost of [REDACTED] (Section I) and [REDACTED] (Section II). The lowest bid was [REDACTED] (Section I) and [REDACTED] (Section II). The Seafood products must be advertised as a contract instead of an open market purchase per the Purchasing Ordinance.

Budget information: The cost for this contract has been provided for within the current operating budgets for John H. Stroger, Jr. and Oak Forest Hospitals of Cook County, Account 310 (12 month Contract).

Signatures:

CCHHS Director
of Purchasing

A handwritten signature in cursive script, appearing to read "Leslie Duffy", written over a horizontal line.

CCHHS CFO

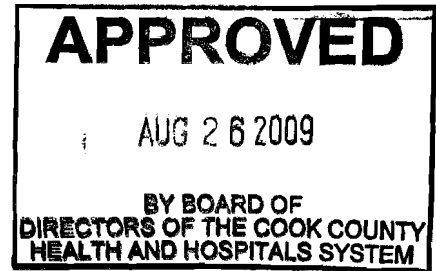
A handwritten signature in cursive script, appearing to read "Robert Pell", written over a horizontal line.

CCHHS COO

A handwritten signature in cursive script, appearing to read "Robert Pell for Tony Tedeschi", written over a horizontal line.

Cook County Health and Hospitals System

Cancel and Re-bid Contract



Date: 6/25/09

Sponsor: Sidney Thomas
Chief Operating Officer

Operating Unit: Provident Hospital of Cook County

Description of Service: Requesting approval to cancel and re-bid contract 08-72-227 for the purchase of Laboratory Reagents and Consumables.

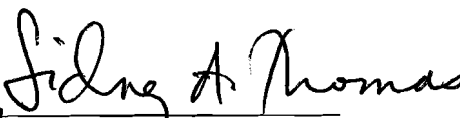
Justification for this contract: A request for bid proposals was initiated and bid proposals were evaluated by the user departments. The specifications, as bid, do not reflect the needs of the user department in that several items have been discontinued and must be deleted from the contract. Therefore, I respectfully request that it is in the best interest of the County that this transaction be canceled and rebid with revised specifications.

Cost of the contract and terms: This is a 24 month contract to commence upon award and execution.

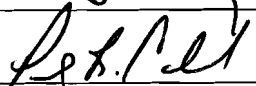
Budget information: 891-365

Signatures:

Sponsor




CCHHS CFO



CCHHS Director
of Purchasing



CCHHS COO



DEFERRED
by the Finance Committee on
August 7, 2009
**COOK COUNTY HEALTH AND HOSPITALS SYSTEM
CONTRACT ITEM REQUESTING CONTRACT**

CANCEL AND RE-BID CONTRACT

DATE:

June 22, 2009

SPONSOR:

Johnny C. Brown

Chief Operating Officer, John H. Stroger, Jr. Hospital of Cook County

**OPERATING
UNIT:**

Department of Buildings and Grounds

**DESCRIPTION
OF SERVICE:**

Requesting approval to cancel and re-bid **Contract No. 09-53-72.**

JUSTIFICATION:

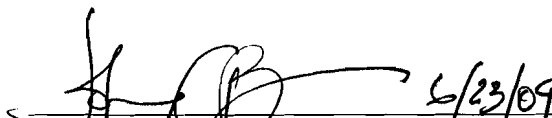
This contract provides for the **removal of existing carpet flooring and the installation of floor tiles in various clinics through the Hospital campus** for John H. Stroger, Jr. Hospital of Cook County.

We have reviewed the responses to the above referenced bid document in which **Superior Floor Covering, Inc.** 14500 Western Avenue, Posen, Illinois 60469 was the lowest bidder meeting the specifications.

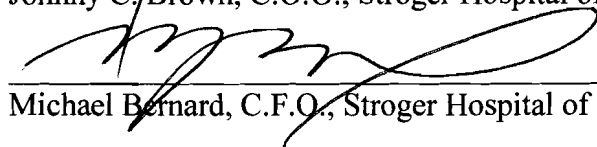
In that Cook County Contract Compliance has advised that Superior Floor Covering, Inc. was not responsive to the Minority and Women-Owned Business Ordinance and the next bidder meeting the specifications exceeds the competitive cost level for these items, we respectfully request that it is in the best interest of Cook County that this transaction be cancelled and re-bid.

Signatures:



Sponsor:

 6/23/09
Johnny C. Brown, C.O.O., Stroger Hospital of Cook County

CCHHS CFO:

 6-23-9
Michael Bernard, C.F.O., Stroger Hospital of Cook County

CCHHS Director
Of Purchasing:

 8/8
Leslie Duffy, Director of Procurement, C.C.H.H.S.


Bd. Ltr: C & R Flooring

APPROVED

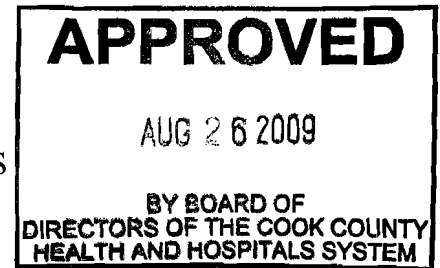
AUG 26 2009

BY BOARD OF
DIRECTORS OF THE COOK COUNTY
HEALTH AND HOSPITALS SYSTEM

30
1

DEFERRED
by the Finance Committee on
August 7, 2009

**Cook County Health and Hospitals System
Finance Committee
Contract Item for Board Approval,
Request to Cancel and Rebid**



Sponsor: Leslie Duffy, Director of Procurement, CCHHS

Operating Unit: Cook County Health and Hospitals System

Description of Service:

Authorization is requested to cancel and rebid item 26 from contract number 09-15-508H for Supplies, Wearing Apparel, Disposable.

Justification for this contract:*

Contained in the backup materials are justifications to cancel and rebid.

Signatures:

Sponsor

A handwritten signature in cursive script, appearing to read "Leslie Duffy".

Leslie Duffy, Director of Procurement, CCHHS

CCHHS CFO

A handwritten signature in cursive script, appearing to read "Pitt Calkin".

Pitt Calkin, Interim Chief Financial Officer, CCHHS

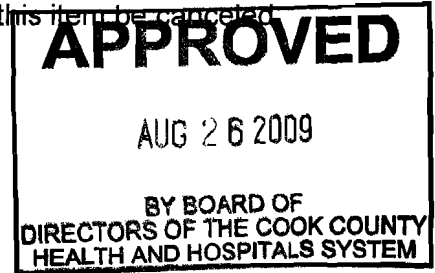
CCHHS COO

A handwritten signature in cursive script, appearing to read "David R. Small".

David R. Small, F.A.C.H.E., COO, CCHHS

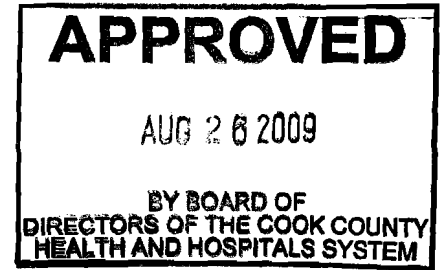
Justifications for cancel and rebid of the following items:

Item 26: Bio-Tek Medical Supplies, Inc. while meeting specifications was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since all other bidders exceeded the competitive cost level for this item, I respectfully request that this item be canceled and rebid.



DEFERRED
by the Finance Committee on
August 7, 2009

**Cook County Health and Hospitals System
Finance Committee
Contract Item for Board Approval,
Request to Cancel and Rebid**



Sponsor: Leslie Duffy, Director of Procurement, CCHHS

Operating Unit: Cook County Health and Hospitals System

Description of Service:

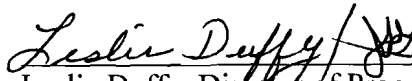
Authorization is requested to cancel and rebid items 1, 2, 3, 7, 8, 9, 10, 12, 13, 21, 22, 23, 24, 26, 27, 30, 31, 34, 36, 37, 38, 43, 46, 48 and 49 from contract number 08-15-602H1 for Supplies, Laboratory & Vacutainers.

Justification for this contract:*

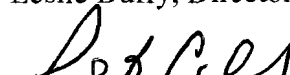
Contained in the backup materials are justifications to cancel and rebid.

Signatures:

Sponsor


Leslie Duffy, Director of Procurement, CCHHS

CCHHS CFO


Pitt Calkin, Interim Chief Financial Officer, CCHHS

CCHHS COO


David R. Small, F.A.C.H.E., COO, CCHHS

Justifications for cancel and rebid of the following items:

APPROVED

AUG 26 2009

Items 1, 36: Comade Inc. while meeting specifications was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since the other bidder exceeded the competitive cost levels for these items, I respectfully request that these items be canceled and rebid.

BY BOARD OF
DIRECTORS OF THE COOK COUNTY
HEALTH AND HOSPITALS SYSTEM

Item 2: Progressive Industries, Inc. failed to provide samples as specified. Para Scientific Company while meeting specifications was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since all other bidders exceeded the competitive cost level for this item, I respectfully request that this item be canceled and rebid.

Items 3, 26, 30, Comade Inc. while meeting specifications was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since all other bidders exceeded the competitive cost levels for these items, I respectfully request that these items be canceled and rebid.

Items 7, 8, 10, 23, 24: Bio-Tek Medical Supplies, Inc. and Comade Inc. while meeting specifications were found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since all other bidders exceeded the competitive cost levels for these items, I respectfully request that these items be canceled and rebid.

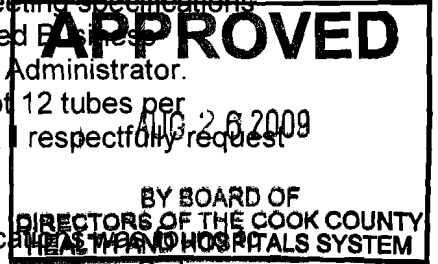
Item 9: Comade Inc. and Para Scientific Company while meeting specifications were found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since all other bidders exceeded the competitive cost level for this item, I respectfully request that this item be canceled and rebid.

Items 12, 22: Para Scientific Company while meeting specifications was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since all other bidders exceeded the competitive cost levels for these items, I respectfully request that these items be canceled and rebid.

Item 13: Progressive Industries, Inc. failed to provide samples as specified. Since there were no other bidders for this item, I respectfully request that this item be canceled and rebid.

Items 21, 38, 48: Comade Inc. while meeting specifications was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since there were no other bidders for these items, I respectfully request that these items be canceled and rebid.

Item 27: Bio-Tek Medical Supplies, Inc. and Comade Inc. while meeting specifications were found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Bioelectronic Engineering & Medical Supplies bid an each price not 12 tubes per package as stated. Since there were no other bidders for this item, I respectfully request that this item be canceled and rebid.



Items 31, 37: Bio-Tek Medical Supplies, Inc. while meeting specifications were found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since all other bidders exceeded the competitive cost levels for these items, I respectfully request that these items be canceled and rebid.

Items 34, 43, 49: Since there were no bidders for these items, I respectfully request that these items be canceled and rebid.

Item 46: Progressive Industries, Inc. failed to provide samples as specified. Comade Inc. while meeting specifications was found to be non-responsive to the Minority and Women Owned Business Enterprises Ordinance as determined by the Contract Compliance Administrator. Since all other bidders exceeded the competitive cost level for this item, I respectfully request that this item be canceled and rebid.

Cook County Health and Hospitals System
Report of the Meeting of the Board of Directors
August 26, 2009

ATTACHMENT #4

Cook County Health Hospitals System
FY 2009
Transfer of Funds

TOTAL TRANSFER FROM	\$ (23,685,381)	TOTAL TRANSFER TO	\$ 23,685,381
Various Operating Accounts		Various Operating Accounts	
 890 - Bureau			
361/530910 Pharmaceutical	\$ (6,528,000)	260/520830 Professional Services	\$ 2,930,000
		441/540170 Maint. & Repair Data Equip.	598,000
		630/550010 Rental & Leasing NOC	3,000,000
TOTAL TRANSFER	\$ (6,528,000)		\$ 6,528,000
 891 - Provident Hospital			
185/501810 Professional Membership Fees	\$ (1,000)	190/501970 Travel	\$ 500
186/501860 Training	(37,000)	222/520190 Laundry & Linens	243,000
225/520260 Postage	(34,000)	240/520490 Printing & Publishing	1,000
235-Contract Maintenance Services	(5,500)	260/520830 Professional Services	12,000
260/520830 Professional Services	(73,000)	272/521050 Medical Consultation Services	46,000
272/521050 Medical Consultation Services	(72,000)	350/530600 Office Supplies	77,500
278/521200 Lab Related Services	(41,000)	353/530640 Books, Periodicals	1,600
333/530270 Institutional Supplies	(500)	360/550010 Medical, Dental & Lab Services	12,000
362/531200 Surgical Supplies	(193,000)	365/531420 Clinical Lab Supplies	3,000
630/550010 Office Equipment Rental	(93,000)	367/531500 X-Ray Supplies	14,000
		368/531570 Blood/Blood Derivatives	38,000
		388/531650 Computer Supplies	1,400
		638/550100 Institutional Equipment Rental	6,000
		660/550130 Facilities Rental	22,000
		880/580220 Institutional Membership Fees	72,000
TOTAL TRANSFER	\$ (550,000)		\$ 550,000
 893 - Ambulatory Services			
110/501010 Salaries & Wages Regular Empl.	\$ (300,000)	213/520010 Ambulance & Transpt. Service	\$ 300,000
235/520390 Contract Maintenance Services	(150,000)	275/521120 Registry Services	300,000
260/520830 Professional Services	(100,000)	630/550010 Facilities Rental	320,000
268/521030 Court Reporting	(100,000)		
360/530790 Medical, Dental & Lab Services	(100,000)		
362/531200 Surgical Supplies	(50,000)		
365/531420 Clinical Lab Supplies	(50,000)		
450/540350 Maint. & Repair of Plant Equip.	(70,000)		
TOTAL TRANSFER	\$ (920,000)		\$ 920,000
 894 - CORE			
260/520830 Professional Services	\$ (20,000)	213/520101 Ambulance & Transpt. Service	\$ 20,000
365/531420 Clinical Lab Supplies	(15,000)	246/520650 Imaging & Microfilming Records	15,000
	\$ (35,000)		\$ 35,000
 895 - Public Health			
110/501010 Salaries & Wages of Regular Empl.	\$ (260,000)	130/501320 Salaries & Wages Extra Empl.	\$ 260,000
TOTAL TRANSFER	\$ (260,000)		\$ 260,000

Cook County Health Hospitals System

FY 2009

Transfer of Funds

897 - Stroger Hospital

110/501010 Salaries & Wages of Regular Empl.	\$(12,743,521)	120/501210 Overtime Compensation	\$ 12,743,521
TOTAL TRANSFER	\$(12,743,521)		\$ 12,743,521

898 - Oak Forest Hospital

110-/501010 alaries & Wages of Regular Empl.	\$ (281)	120/501210 Overtime Compensation	\$ 1,206,100
121/501230 Premium Pay	(1,206,100)	129/501300 Salaries & Wages/Seasonal Empl.	281
272/521050 Medical Consultation	(32,479)	333/530270 Insitutional Equipment	200,000
362/531200 Surgical Supplies	(200,000)	360/530790 Medical, Dental & Lab Services	200,000
450/540350 Maint. & Repair of Plant Equip.	(200,000)	880/580220 Institutional Membership Fees	32,479
	(1,638,860)		\$ 1,638,860

240 - Cermak Health Services

110/501010 Salaries & Wages of Regular Empl.	\$ (670,000)	120/501210 Overtime Compensation	\$ 670,000
240/520490 Printing & Publishing	(30,000)	155/501420 Med. Practitioner As Required	60,000
275/521120 Registry Services	(150,000)	183/501770 Seminars	4000
365/531420 Clinical Lab Supplies	(85,000)	190/501970 Travel	6,000
		213/520101 Ambulance & Transpt. Service	70,000
		222/520190 Laundry & Linens	25,000
		228/520280 Delivery Services	15,000
		272/521050 Medical Consultation Services	70,000
		310/530010 Food Supplies	15,000
	\$ (935,000)		\$ 935,000

568 - JTDC

110/501010 Salaries & Wages Regular Empl.	\$ (75,000)	120/501210 Overtime Compensation	\$ 45,000
		136/501400 Differential Pay	30,000
	\$ (75,000)		\$ 75,000

OVERALL TRANSFER FROM \$(23,685,381)

OVERALL TRANSFER TO \$ 23,685,381

Cook County Health and Hospitals System
Report of the Meeting of the Board of Directors
August 26, 2009

ATTACHMENT #5

Cook County Health & Hospitals System

Todd H. Stroger • President
Cook County Board of Commissioners

Warren L. Batts • Chairman
Cook County Health & Hospitals System

Jorge Ramirez • Vice-Chairman
Cook County Health & Hospitals System

William T. Foley • CEO
Cook County Health & Hospitals System



1900 West Polk Street, Suite 220
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Fax: (312) 864-9994

Health & Hospitals System Board Members

Dr. David A. Ansell
Commissioner Jerry Butler
David N. Carvalho
Quin R. Golden
Benn Greenspan
Sr. Sheila Lyne
Dr. Luis R. Muñoz
Heather E. O'Donnell
Andrea L. Zopp

August 26, 2009

The Honorable President and Members
Cook County Board of Commissioners
County Building
118 N. Clark, Room 567
Chicago, Illinois 60602

Dear President and Commissioners:

In presenting to you the proposed FY 2010 Budget, we would like to remind you that this budget is in keeping with the County Department of Budget & Management Services guidelines of a 19% reduction from the Appropriated FY 2009 Budget. The approach that we took with this guideline of the 19% reduction was against the Tax Subsidy – the money that we get from the County in taxes - rather than the appropriated expense amount. The reason for this approach is that this will give us credit for the additional \$100M+ in revenues that are projected for the System in FY 2010 due to the DSH payments.

The proposed FY 2010 Budget also includes three other very important additional items:

- We have included \$30M in Operational Expenses and \$30M in Capital for the Three Year Strategic Plan, which is to be delivered to you in November.
- We have included in the Operational Expenses the projected opportunities that the Navigant Consulting Group has identified as well as the elimination of 500+ vacant positions. The total reductions for these two steps are in excess of \$80M.
- We have included a resolution that will streamline our processes as well as make our Capital Acquisitions less cumbersome and allow operations not to be hampered like it was in FY 2009.

The FY 2010 Budget is a continuation of the efficiencies, operational improvements and better services that began with the FY 2009 Budget. The goal was to end FY 2009 with five substantial changes in place and they are as follows:

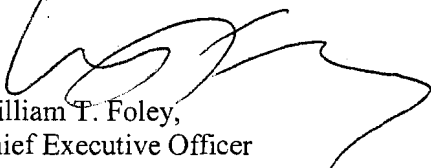
1. A first class executive team strong enough to implement the necessary changes in their area of responsibility.

- CEO – Assumed position 5/4/2009
 - Director of Performance Improvement – Assumed position 6/29/2009
 - Director of Public Relations/Communications – Assumed position 7/6/2009
 - Director of Human Resources – Assumed position 7/13/2009
 - Chief Operating Officer – Assumed position 7/20/2009
 - Chief Clinical Officer – Assumed position 7/27/2009
 - General Counsel – Assumed position 8/10/2009
 - Chief Financial Officer – Assumes position 9/1/2009
 - Chief Compliance Officer – Assumes position 9/8/2009
 - Chief Medical Officer – Recruitment in process
 - Chief Information Officer – Recruitment in process
2. A fully functional IT system in the areas of Finance, Human Resources and Contract Procurement capable of delivering accurate financial and operational information on a timely basis, with sufficient well-trained staff to support those systems.
- The Lawson conversion began last month and the General Ledger should be operational by March 2010.
3. A comprehensive procurement function, staffed with experienced procurement and contracting personnel.
- On August 1, the System assumed all purchasing functions from County Purchasing and the Group Purchasing Organization and Prime Vendor operations should be operational by September 2009.
4. A net reduction of at least 464 positions.
- The total of eliminated and identified open FY09 budgeted positions is 883.
 - FY 2009 goal was a net 464
 - Accomplished to date in FY 2009 358 vacant positions have been eliminated
 - By the end of FY 2009 an additional 500+ vacant positions will be eliminated
 - An additional 467 filled positions will be eliminated in two phases during the fall and spring that were identified by Navigant Consulting.
5. Identify additional opportunities to improve services and reduce costs.
- The Office of Performance Improvement was established. Navigant Consulting conducting performance improvement assessment to be completed by 9/30/2009.

In addition, the FY 2010 budget addresses the restoration of screening mammographies and elimination of colonoscopy backlog; includes a new time & attendance system; funds the stroke and SBRIT programs; and designates the system campuses smoke free.

The FY 2009 budget is on target or better than the final appropriation. The FY 2010 preliminary budget meets the requested 19% reduction from the prior year budget and reduces the local tax revenue subsidy. It is also a bridge to the strategic plan, which will allow the Health System to meet current and future standards and expectations for the delivery of quality patient care and more successfully meet the fiscal and strategic challenges in front of it.

Sincerely,



William T. Foley,
Chief Executive Officer
Cook County Health & Hospitals System

FY 2010 Budget Presentation

- 1) Assumptions
- 2) Strategic Plan
- 3) FY 2010 Budget Comparison
- 4) Personnel
- 5) Supplies
- 6) New Programs
- 7) Capital
- 8) Resolutions
- 9) Questions

FY 2010 Budget Assumptions

- 1) No significant volume increase
- 2) Implementation of FTE Reductions for FY 2010 totaling \$60M
 - 883 FTE eliminations from FY 2009 vacant positions
 - 467 FTE eliminations of filled positions based on Navigant Recommendations for improving efficiency
- 3) Additional \$20M reduction for continued improvement in managing supply costs
- 4) Inflation of 5%
- 5) \$30M budgeted for Strategic Plan in operational expenses
- 6) Capital of \$66.1M with \$30M for Strategic Plan

FY 2010 Budget Comparison
(\$\$ in millions)

	Appropriated FY 2009 Budget	Projected FY 2009 Actual	FY 2010 Requested Budget
Revenue:			
Patient Fee	\$290	\$240	\$259
IGT	\$131	\$131	\$131
FMAP	\$20	\$36	\$39
DSH	\$27	\$63	\$150
Retro DSH SFY 2009	\$0	\$132	\$0
Retro DSH SFY 2008	\$0	\$30	\$0
Total Revenue	\$468	\$632	\$579
 Total Expenses	 \$850	 \$850	 \$887
 Tax Subsidy	 \$382	 \$218	 \$308

FY 2010 Budget
Personnel Costs

FY 2009 Appropriation FTE's	FY 2009 Appropriation Expense	FY 2009 Actual Expense (B)	FY 2010 Request FTE's	FY 2010 Request Expense
7,462.4	\$549,954,424	\$510,259,046	7,656.4	\$520,622,522

Note:

1) Expense costs is based on accounts 109-169

B) From 5/31 Year to Date Financials x 2 minus \$10M

Please note that because of the Consent Decree at Cermak that we are in our second year of staffing up for that so the impact of that is 63 new FTE's at \$2,998,862 without benefits

FY 2010 Budget
Supply Costs

FY 2009 Appropriation Expenses	FY 2009 Actual Expenses (A)	FY 2010 Request Expense
\$146,838,316	\$128,580,463	\$120,297,948

Note:

1) Expense costs is based on accounts 360-368

A) Based on May 31 Year to Date Financials x 2 minus \$20M

FY 2010 Budget
New Programs

	Revenue	Total Costs	FTE's
Stroger:			
Stroke		\$65,383	1
Student Nurse		\$130,000	10 (A)
PET CT		\$235,380	2

(A) These positions show up in the Per Diem FTE count

FY 2010 Budget
Capital

	Request
System office	\$52,113,309
Stroger	\$8,104,945
Oak Forest	\$4,489,880
ACHN	\$669,066
Cermak	\$596,890
Public Health	\$120,000
CORE	\$41,190
Total	\$66,135,280

Note:

Please see attached for the list of Capital that is greater than \$250,000

Cook County Health and Hospitals System
Fiscal Year 2010 Capital Request \$250,000 and Over
Department Summary

DEPT	B/U	DEPT	OBJECT ACCOUNT	DESCRIPTION	AMOUNT
890	8900538	Bureau of Health	560430	Strategic Planning - Miscellaneous Miscellaneous Emergency Equipment	\$ 30,000,000 5,000,000
890	8900538	Bureau of Health Information System	560430		
890	8900601	Administration Information System	560450	CCHHS Email Systemwide	2,250,000
890	8900601	Administration Information System	560450	Cerner (Additional Projects)	2,000,000
890	8900601	Administration MAIN OPERATING ROOM	560450	Wyse Devices S30CE	1,528,500 1,500,000
897	8971496	Information System	560430	LAPAROSCOPIC EQUIPMENT	
890	8900601	Administration Information System	560450	Personal Computers	1,200,000
890	8900601	Administration Information System	560450	Data Warehouse Microsoft Software (OS & Office)	1,200,000 1,140,000
890	8900601	Administration	560450		
898	8980033	Radiology Information System	560430	PAC System	1,000,000
890	8900601	Administration	560450	Diaster Recovery	1,000,000
897		RESPIRATORY CARE Information System	560430	VENTILATOR	885,154
890	8900601	Administration GASTROENTEROLO	560450	Single Sign On Setup	750,000
897	8970175	GY-CLINICAL Information System	560430	HD ENDOSCOPY	678,189
890	8900601	Administration Information System	560450	Blade Servers	660,100
890	8900601	Administration Information System	560450	Monitors	575,000
890	8900601	Administration Information System	560450	IBM Enterprise Storage LABORATORY System	529,000
890	8900601	Administration Information System	560450	(SoftPath Upgrade	500,000
890	8900601	Administration MAIN OPERATING ROOM	560450	Software	487,500
897	8971496	Information System	560430	POWER TOOLS	450,000
890	8900601	Administration	560450	Lexmark Printers Olympus Endoscopy System for GI	449,500 408,000
898	8981605	Surgery/General Electrical Equipment	560430	Cardiac Monitors	406,719
898	8980077	Control	560430		
891	8910510	Medical Sub Specialties Information System	560430	Endosocopy System	390,493
890	8900601	Administration	560450	Mobile Workstation	386,628
898		Electrical Equipment		Bed Side Monitors	385,191
	8980077	Control Information System	560430		
890	8900601	Administration	560450	Laptop Computers	330,000

Cook County Health and Hospitals System
Fiscal Year 2010 Capital Request \$250,000 and Over
Department Summary

<u>DEPT</u>	<u>B/U</u>	<u>DEPT</u>	<u>OBJECT ACCOUNT</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
893	8930421	Prieto Health Center	560430	Mammography Unit	300,000
		Information System		Microsoft Exchange 2007	
890	8900601	Administration	560450	Email Server Upgrade	263,000
		PEDIATRIC			
897	8970250	SURGERY	560430	ULTRASOUND MACHINE	250,000
		Information System		3M (SoftMed) Upgrade System	
890	8900601	Administration	560450	Upgrade	250,000
		Information System			
890	8900601	Administration	560450	NAS/SAN Upgrade	250,000
TOTAL					57,402,974

RESOLUTION

Sponsored by:
(Sponsors to be included before
submission to the County Board)

A **Resolution** providing for the approval
of the 2010 Preliminary Budget of the
Cook County Health and Hospitals System.

WHEREAS, on June 3, 2008, the Cook County Board of Commissioners approved an Ordinance establishing the Cook County Health and Hospital's System ("Enabling Ordinance"); and

WHEREAS, Section 38-83 of the Enabling Ordinance provides the following with regard to the County Board's approval of the System's Preliminary Budget:

- That the System Board shall recommend and submit a Preliminary Budget for the System to the President of the Cook County Board of Commissioners and the County Board, for approval by the County Board, not later than forty-five (45) days prior to the first date for submission of budget requests by the County's Budget Director; and
- That the County Board shall approve or reject each Preliminary Budget within forty-five (45) days of submission to the County Board or such Preliminary Budget is deemed approved; and
- That the Preliminary Budget shall be included in the President's Executive Budget Recommendation; and

WHEREAS, Section 38-83 of the Enabling Ordinance further provides that after approval of each Annual Appropriation Ordinance, the System Board has the authority to make intra-fund transfers within the Health Fund, if necessary, to accommodate any proposed revisions by the System Board to the line items set forth in the Annual Appropriation Ordinance; and

WHEREAS, in previous years, the County's Resolution and Annual Appropriation Bill contained language providing that all funds appropriated to any account or sub-account within Category 100 (Personal Services) shall remain fixed and restricted to that category for which they were originally appropriated, and shall not be subject to transfer to any impersonal account, or to any line item other than those within the 100 Series, as listed in the Chart of Accounts; and

WHEREAS, consistent with the spirit and intent of the powers and authority granted to the System Board by the County Board in the Enabling Ordinance, the System wishes to adopt an enterprise fund model which would allow the System Board through the System's Chief Executive Officer to have authority (within the confines of the total budget appropriation adopted by the County Board) over the expenditure of funds allocated to the System by the County Board, notwithstanding any limitations on funds appropriated to the 100 accounts in the County's Resolution and Annual Appropriation Bill; and

WHEREAS, both the System Board (on July 16, 2009) and the County Board (on July 21, 2009) approved a Master Lease Agreement for the System which authorizes the System to lease capital equipment through an operating lease as opposed to acquisition through financing by a bond issuance by the County; and

WHEREAS, the System wishes to acquire capital equipment for 2010 through this Master Lease Agreement, and inasmuch as this action may occur prior to the issuance of a bond by the County, the System wishes to be exempt from any temporary "budget holds" that might occur at the County level pending discussion and approval of bond issuance for certain purchases of capital equipment; and

WHEREAS, the System receives funds from various granting agencies which funds are already accounted for in the System's proposed Preliminary Budget and the System wishes to have authority to approve and receive these grant funds without having to return to the County Board for such approval; and

WHEREAS, on August 26, 2009, the Cook County Health and Hospitals System Board of Directors approved the System's Fiscal Year 2010 Preliminary Budget.

NOW, THEREFORE, BE IT RESOLVED, that the Preliminary Budget for Fiscal Year 2010 of the Cook County Health and Hospitals System is approved; and

NOW, THEREFORE, BE IT FURTHER RESOLVED, that the following conditions will be provided for in the County's Resolution and Annual Appropriation Bill for Fiscal Year 2010:

1. The System Board's authority to make intra-fund transfers within the Health Fund will include the ability to transfer funds in and out of Category 100 (Personal Services), notwithstanding any limitations on funds appropriated to the 100 accounts in the County's Resolution and Annual Appropriation Bill for Fiscal Year 2010.
2. The System Board is authorized to acquire capital equipment for Fiscal Year 2010 through the Master Lease Agreement notwithstanding any "budget holds" that might occur at the County level pending discussion and approval of bond issuance for certain purchases of capital equipment.
3. The System Board is authorized to approve and receive grant funds which are already appropriated by the County's Resolution and Annual Appropriation Bill for Fiscal Year 2010 without seeking additional County Board approval, notwithstanding any limitations on this authority in the County's Resolution and Annual Appropriation Bill for Fiscal Year 2010.

Effective date: This Resolution shall be in full force and effect immediately upon passage by the Cook County Board of Commissioners.

**COOK COUNTY HEALTH & HOSPITALS SYSTEM WHITE PAPER
PROPOSAL ON THE USE OF FEDERAL AND/OR STATE FUNDS RECEIVED
DURING FY09 AND UN-APPROPRIATED BY THE COOK COUNTY BOARD**

Introduction

The Department of Budget & Management Services directed all Cook County agencies, departments and elected officials to prepare the FY 2010 Budget Requests including three potential budgeting scenarios: a budget equal to or less than the FY 2009 Operating Budget; a budget 12% less than FY 2009 in the event that the sales tax is reduced by 1.25%; and a budget 19% less than FY 2009 if the sales tax is reduced by 1.25% and the 2007 Pension Obligation is to be paid out of the General Fund instead of being funded through a bond issue. In complying with that directive the Cook County Health & Hospitals System's FY 2010 budget approved by the System Board is 19% less than the FY 2009 appropriation. This was achieved through the following "one time contributions":

- Federal Medical Assistance Percentages
- Disproportionate Share Hospital Allocations

Short-term Funding Increases

Temporary Increase in Illinois' Federal Medical Assistance Percentage (FMAP)

According to formulas specified by ARRA, each state's Federal Medical Assistance Percentage (FMAP) has been raised through December 2010. FMAP is the portion of federal dollar matching participation in a state's Medicaid expenditures. For federal fiscal year 2009, beginning October 2008, Illinois' matching percentage has been raised by raised by ARRA from 50.32% to 60.5%.¹

Because Cook County finances its own Medicaid payments through intergovernmental transfers, the county health system is able to realize directly the benefits of the FMAP increase. For the period October 1, 2008 through June, 2009, the FMAP benefit to Cook County totaled \$35.78 million. Going forward, the magnitude of the benefit depends directly on levels of Medicaid utilization; The State Medicaid Agency (HFS) has estimated the ARRA benefit to CCHHS at approximately \$3 million per month through June, 2010.

Temporary Increase in State Specific Disproportionate Share Hospital (DSH) Allocations

Disproportionate Share Hospital (DSH) adjustment payments provide additional funding to states to help those hospitals that serve a significantly disproportionate number of low-income patients; eligible hospitals are referred to as DSH hospitals. States have available an annual federal DSH allotment that may be drawn down to defray the

¹ FMAP for some categories of Medicaid expenditures, notably SCHIP program expenditures on children's healthcare, was not raised by ARRA, because these expenditures already are matched at an enhanced rate.

otherwise uncompensated costs of DSH hospitals. The terms of Illinois State Medicaid Plan, as approved by the Illinois legislature and by federal authorities permits CCHHS to be paid DSH monies, along with other specified beneficiaries.

The annual allotment is calculated by law and includes requirements to ensure that the DSH payments to individual DSH hospitals are not higher than these actual uncompensated costs. ARRA increases in all states FFY 2009 and FFY 2010 DSH Medicaid allotments by 2.5%; Illinois' DSH allocation for FFY2009 was raised by approximately \$5 million, and will be raised by approximately \$6 million in FFY2010. CCHHS has, and will going forward, realize a portion of DSH benefit under ARRA.

Looking to FY 2010 in which the FMAP and DSH increases are in affect through December 2010, the proposed budget for FY 2010 reflects an increase in revenue from \$468 Million to \$579 Million. The proposed budget for FY 2010 reflects an increase in expenses from \$850 Million to \$880 Million but reflects a reduction in the taxes needed to cover the deficit from \$382 Million to \$301 Million, a savings over the requested 19%.

The stimulus money received by the Health System through the ARRA should be considered "short-term" in nature and while contained within the FY2010 operating budget, must be accounted for in future budget planning so as to deal with the resulting shortfall in subsequent years.

Therefore having proposed an operating budget for FY2010 that is balanced with the use of anticipated revenues generated and appropriated within FY2010, and having done so while decreasing the local county tax revenue subsidy to the System, we would now turn to the proposal for use of funds received during FY09 and un-appropriated by the Cook County Board.

Underlying Principles contained within this proposal

The Cook County Board of Commissioners in creating the Ordinance Establishing the Cook County Health and Hospitals System (Ordinance No. 08-O-35), specifically Section 38-80(g), transfers to the System Board the power and responsibility "to submit budgets for the CCHHS operations and capital planning and development, which promote sound financial management and assure the continued operation of the CCHHS, subject to the approval of the County Board". The System Board believes that sound financial management warrants the Health System adopting more fully, an "Enterprise Fund" model to account for the financial operation of the Health System.

The National Council on Governmental Accounting defines the purpose of enterprise funds "...to account for operations (a) that are financed and operated in a manner similar to private business enterprises – where the intent of the governing body is that the costs (expenses, including depreciations) of providing goods or serves to the general public on a continuing basis be financed or recovered primarily through users charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes." The Health System's activities meet the definition of an enterprise fund.

Generally accepted accounting principles require that state and local governments use the enterprise fund model to account for "business-type activities" – activities similar to those found in the private sector. Business-type activities include services primarily funded through user charges. The Health System operates health care facilities similar to companies in the private sector. Therefore the Health System's operations are "business-type activities".

Section 29 of the Resolution Providing for the Annual Appropriation for the Fiscal Year 2009 (Resolution No. 09-R-109) states "For the Elected Officials, Heads of departments, offices, institutions, or agencies of the County who increase revenue estimates for purposes of avoiding decreases in appropriations to each budgetary unit or groups of budgetary units and are found to have a shortfall of those estimates quarterly, the Chief Financial Officer, the Comptroller, and the Director of Budget and Management Services shall report the shortfall to the Board of Commissioners for an immediate amendatory reduction in appropriation authority previously granted to the budgetary unit(s), of an amount corresponding to the identified shortfall." The County Board through this section of the budget resolution obligates that revenue estimates that are not met the budget needs to be adjusted to compensate for the shortfall. In that vain it only seems appropriate that the reverse is true as well, that if revenue estimates are exceeded the budget needs to be adjusted to compensate for the profit. This is one of the key underlying principles, specifically that the Health System Board operate with both the authority and accountability to carry out the delivery of healthcare within the appropriated budget.

Additionally, it must be remembered that these un-appropriated funds realized during FY09 are in fact "one-time" dollars that will not be reoccurring. Again sound fiscal management principles tell us that such one-time revenues should not be incorporated within annual operating budgets so as to avoid causing built-in deficits for future years.

It is also key that the System Board propose financing plans that to the greatest extent possible lower local tax dollar subsidy and other debt costs in the furtherance of the Health System's operations.

Finally, under the various agreements and statutory language that have brought these un-appropriated revenues to the Health System, the County is obligated to see that such revenues are spent to further the provision of healthcare services to the specific county resident population intended.

Therefore the System Board proposes to utilize these funds, in conjunction with the Three Year Fiscal Plan through the following recommendations, so as to further the mission goals of the Health System, lower the local tax burden on the residents of Cook County, recognize the one-time nature of these funds and not create future funding shortfalls, and operate in a responsible fashion that promotes sound fiscal management and assures continued operations of the Health System.

Summary of Recommendations

1. *Bricks and mortar.*

Many of the buildings and space within which current operations are conducted have been, for a number of years recognized as in severe need of repair and/or replacement. In many instances it can be found that conditions compromise the delivery of safe, quality healthcare services to the current volume of patients, and as importantly preclude any opportunity to increase access to services that are urgently needed by the population served. Past County Facilities and Capital Planning documents list a number of projects for replacement facilities for the Health System that have been put on indefinite hold due to the lack of necessary funding. While the Health System is still engaged in the development of a Strategic Plan, it can be said that major improvements to the campuses will be called for.

As an example, the Fantus Building, which houses significant ambulatory operations on the Stroger Hospital campus, has been on the list for replacement for a number of years. This project, along with the replacement of the Administrative Building (which houses a large volume of our medical staff departments and physician offices, has been tied to the reuse of the old Cook County Hospital structure. Patient and staff safety, quality care that meets current and future community standards, and the ability to provide for current patient volume levels as well as anticipated increased demands can only be successfully met with the urgent development of appropriate capital projects both on the Stroger Hospital Campus and elsewhere throughout the Health System, for the provision of modern, environmentally friendly facilities. Another example of a vital and urgent need is the completion of the Stroger Hospital garage expansion that has largely been on hold for a number of years following the opening of the new hospital. Not being able to provide for relatively easy access to on campus parking has continued to hurt the campus both for the patients and public, as well as the staff who serve them.

With these types of priority needs, we would propose to designate approximately \$65-70 million dollars for this purpose.

2. *Capital equipment and technology infrastructure.*

It can be seen in all of the healthcare industry literature and the stated healthcare reform agenda of the current White House, that healthcare systems must be aggressive in carryout strategies that will see a continuous condition of having state of the art medical equipment and technologies on hand for the delivery of high quality care. Similarly the healthcare systems are being challenged (with future Federal funding being placed at risk) to build or acquire health information record infrastructure that will serve to increase the quality of care across the entire system of care (including multiple community providers) and lower the cost of that service delivery. While the Health System has been working to meet these challenges, significant investment is urgently needed within these areas.

For example it is imperative that all of the Health System's operating units be able to access and share health information, in real time, to safely and appropriately serve patients. Additionally, we can no longer afford to have 10-20 year old medical equipment still in use (as is the case with the single slice CT scanner at Oak Forest) where necessary testing can not be handled and/or results of tests performed might not be fully trustworthy. In this instance while the Health System will continue to work on the possibility of gaining more Federal funding that might become available, it is proposed that approximately \$40 million dollars be designated for this purpose.

3. *Human capital investment.*

In all of the organizational literature, it has been repeatedly discussed and accepted that the greatest resource that an organization has is its Human Capital, its workforce. It is a priority that the Health System maintain a staff that is the best trained and most highly skilled possible. Unfortunately, our Health System has not been able to keep up with best and standard practices of investing in programs that will assist staff in gaining and maintaining necessary competencies, helping staff attend on-going professional education needed for skills development and technical knowledge, and training staff in new technologies that assure efficient work processes.

Additionally, with the "graying of the workforce", investment in the education and development of the near future healthcare staff must be made, particularly within the healthcare professions.

As such we would propose designating \$20 million dollars in educational programming that will lead to the development and retention of highly qualified staff across the Health System.

4. *Cash reserves.*

Again it is in keeping with healthcare industry standards and sound fiscal management principles that the Health System, begin to develop Cash Reserves as part of the fiscal strategic plan of longer term fiscal stability and viability. In surveying many of the larger public healthcare systems across the country, the creation of Cash reserves has been seen as vital and necessary. Most Rating Agencies would look for a fiscally sound healthcare enterprise to have appropriate Cash Reserves on hand. Moody's U.S. Public Finance Division provides their credit rating methodology for Not-for-Profit Hospitals and Health Systems. The ratings criteria for days cash on hand at rating levels of Aa, A, Baa, and Below Investment Grade are as follows:

Aa: More than 175 days cash on hand

A: Between 125 and 200 days cash on hand

Baa: Between 50 and 125 days cash on hand

Below Investment Grade: Less than 50 days cash on hand.²

Additionally, the creation of "rainy day funds" has been a common practice within local governments for decades.

² Rating Methodology, "Not-for-Profit Hospitals and Health Systems,": Moody's U.S. Public Finance, January 2008

As such, we would propose to designate the remainder of these un-appropriated funds, approximately \$30-35 million, as a very modest start at creating the kind of Cash Reserves for the Health System that even in a down economy are viewed within the industry as essential.

Conclusion

The Health System Board and its management believes that this proposal, in keeping with the underlying principles articulated, represents a sound plan for the use of these un-appropriated funds, that is consistent with healthcare industry standards and practices for good fiscal management, will put the Health System in the best position to meet current and future standards and expectations for the delivery of quality patient care, and allows for the Health System to more successfully meet the fiscal and strategic challenges in front of it.

In summary the CCHHS Board respectfully recommends that the un-appropriated funds (approximately \$163M) from DSH and FMAP programs be designated for use by the Health System as follows:

\$70M	Brick and Mortar facilities improvements
\$40M	Capital Equipment and technology infrastructure
\$20M	Human Capital Investment
\$33M	Cash Reserves
\$163M	Total